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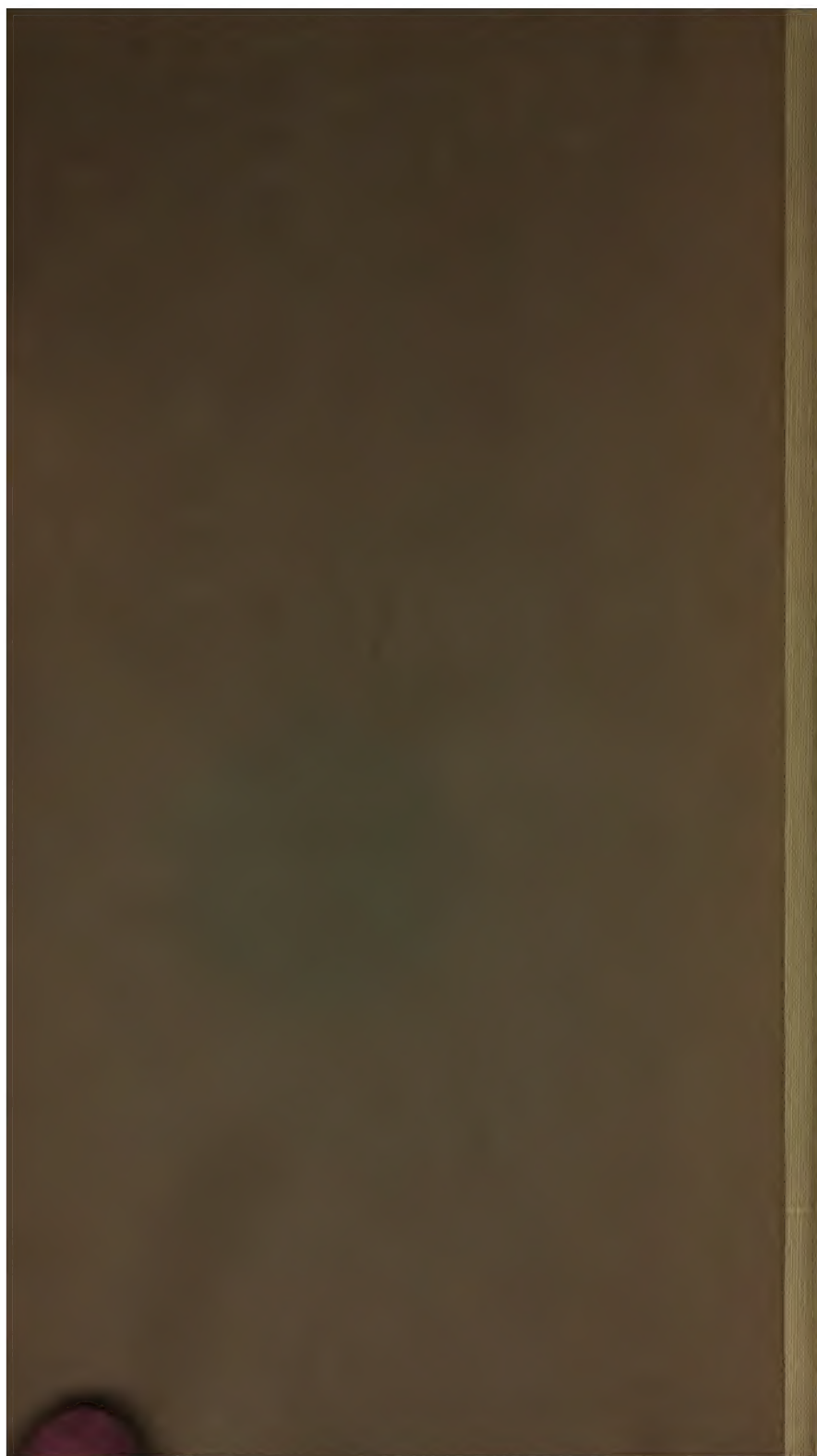
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BRITISH INDIA
ANALYZED.

THE
PROVINCIAL AND REVENUE
ESTABLISHMENTS
OF
TIPPOO SULTAUN
AND OF
MAHOMEDAN AND BRITISH
CONQUERORS in HINDOSTAN,
STATED AND CONSIDERED.
IN THREE PARTS.

PART II.

*In vitis ea, tanquam vulnera attingo, sed nisi tacta tractataque
sanari non possunt. Liv. lib. 28.*

LONDON:

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1795.

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BRITISH INDIA.

PART II.

PROVINCIAL AND REVENUE

ESTABLISHMENTS

OF

BRITISH CONQUERORS.

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PART II.

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ERRATA.

- Page 329, line 4, for *rans* read *runs*.
337, — 19, after *period* insert *of the production*.
342, — 3, for *this* read *the production of*.
344, — 14, for *MH* read *MR*.
347, note, after *page* add 135.
442, line 4 from bottom, for *Nizam* read *Nazim*.
463, — 4, for *Ali* read *Reza*.
581, — 1, for *pecular* read *peculiar*.
—, — 18, for *have* read *has*.
583, — 1, for *were* read *was*.
—, — 15, for 1787 read 1785.

THE
PROVINCIAL ESTABLISHMENTS,
&c. &c.

CHAP. I.

*The Principle of the Company's Government
at the Period of the Acquisition of the
Dewanee.*

LORD CLIVE stated his opinion of the nature of this government on a minute, dated October 28, 1765*. “As I am not a very young servant of the Company, and have been twice honoured with the Presidentship of this settlement, (*Calcutta*) I think I may, without vanity, presume, that my knowledge is not in-

* Appendix to Bolt's Consideration of India, p. 75.

ferior to Mr. *** on the power and duties of a Governor.

“ The respect I have for the laws of my country will always prevent my exercising a military force to apprehend any *British* subject, unless in cases of a very heinous nature, and when the offender might otherwise escape from the justice of a civil power, to whom he must of course be given up.

“ But with regard to the natives of *India* I cannot consider them as British subjects; and the Court of Directors has cautioned us against putting our laws in execution on them. Were we to consider them as *British* subjects, our *political* government would be at an end; the power of the Governor and Council would be transferred to the Mayor’s Court, and with it the whole authority of the Company, as if the charter for the establishment of that Court had been obtained, to make the Mayor and Aldermen masters over the Company. Besides, were the natives within our districts to be, on every occasion, .

prosecuted by the ^{24.p.}laws of our country,
 the Inns of Court would hardly be able
 to supply us with a sufficient number of
 lawyers; and the objection would never-
 theless remain, that, if the *Indians* will
 not of their own accord comply with the
 forms of the laws of *England*, we have no
 right to compel them; for what they have
 said is true, that no Prince has power or
 authority over the subjects of another
 Prince, unless it be by residing in his
 dominions, or by voluntary concessions,
 consent, &c.; and there are undoubtedly
 instances where the Company's servants
 could not justify themselves, if they were
 to admit the natives to the benefit of our
 laws, even at their own request.

“ The Company's advantages and pos-
 sessions in India are maintained by the civil,
 joined with the military, power: the ad-
 ministration of their settlements, so far as
 respects the subjects of *Great Britain*, is
 purely civil, except in such cases as come
 peculiarly under the cognizance of martial
 law; but the civil administration has a
 right to command the assistance of the mi-

litary in securing offenders. This is allowed of by the laws of *England*, and is frequently practised, though the two powers there, are rather more distinct than in *India* : here the civil Governor has a commission, as a commander in chief of the forces, and, as such, has power in himself to exercise a military force in support of the civil. This is an institution founded on a very wise and evident reason, for as the Governor must always have the earliest intelligence of matters relating to his government, and of importance to the public interest, it is necessary he should be invested with the power of providing instantly for the security of the state; nor can that power be dangerous to the liberty of the subject, whose military discipline is regulated upon the model of civil administration.

“ But we are not to imagine that criminal actions alone endanger our principle of government; it is endangered by *licentiousness, extortion, venality*, by whatever *eludes*, though it may not totally subvert the laws : these, among numberless other

cases, will fall immediately under the observation of a Governor, and it is his duty to endeavour to eradicate them with very exemplary severity, when occasion demands it. If in the execution of his office he is guilty of oppression towards any of His Majesty's subjects, an act of Parliament points out a legal mode of redress; if his oppression falls on a subject, he is still amenable to justice. In any trifling causes, especially against a British subject, a Governor will act merely as a Justice of the Peace, but in cases which affect the Company's affairs, in cases of a villainous nature between man and man, particularly extortion, which too happens among the natives of this despotic empire, whether supported or not by us; in cases where the temper, moderation, the justice of the Company's government is concerned; in cases of such a nature, I say, a Governor will not only act as a Justice of the Peace, but as Governor: he will not only, as a Magistrate, commit to confinement, but will, if he judge necessary, as Commander in Chief, assume his military power to prevent the offender's es-

cape."—"A black man accused of a heinous crime, meditating an escape from justice, is confined to his house by a few sepoy, and upon this circumstance alone Mr. ***, like a true leader of party, thinks it incumbent on him to stand forth the champion of his injured country, declaims upon the *British* Constitution, civil rights, military force, arbitrary power, the liberty of the subject.—"I demand," says he, "that the guards be removed
 "from the houses of the inhabitants, that
 "not only I, but the whole settlement,
 "may in confidence and safety attend the
 "Company's and our own concerns." In a London newspaper such an harangue might serve to alarm weak minds, and draw recruits to the standard of faction, but on the face of our consultations, where truth and *facts* are conspicuous, it must appear a falsehood of the most dangerous tendency, calculated to answer the worst purposes—I therefore desire the following question may be put, &c.

(signed)

CLIVE."

From the above minute we may know what was the Government at the period of the acquisition of the Dewannee, and we may also, on equal certainty, state the principle and practice of the revenue system at the same period.

The *principle* of the *Company's revenue system*, applied to their territory, prior to, and at the period of, the acquisition of the *Dewannee*, was a systematic deviation from the equity of the Moghul system, as is fairly stated by Governor *Holwell* in the following extracts* :

“ To form a just estimate of the value and importance of these provinces, we must consider them at the period when they were governed by the younger Princes of the Blood Royal, and some years before *Jaffier Khan's Soubahship*, for in his time they began to decline and decrease in their worth, from causes † already investigated.

* Interesting Historical Events, 2d edit. Vol. I. p. 178.

† Ibid. Vol. I. chap. 2.

“ From his demise, the country for a few years recovered and began to flourish, until within two years of the decease of *Sujah Khan*, when, by the rapacity of *Hodjee Hamet*, the *Rajahs* and *Zemindars* were again cruelly oppressed and plundered and were thereby disabled from making good their contracts to Government; soon after that period commenced the usurpation of *Aliverdi Khan*, that drew on the *Mabratta* invasion, which overwhelmed the country in miseries of every kind for eight years.

“ The peace which the usurper made with these invaders in 1750 seemed for four or five years to promise restoration of vigour to this harassed country; but its shattered constitution was scarcely beginning to revive, when the rash conduct of the succeeding young tyrant reduced it again to imminent peril, a just vengeance and necessity drew the English arms against him and his country, which produced a revolution fatal to himself and family—necessity again produced a second revolution—wantonness, a third—and when we

shall stop, time only will disclose. A few individuals may benefit by this shifting system ; but the total ruin of the trade of the provinces, and to the Company, must manifestly, in the end, be the consequence of this continued warfare, if not timely prevented, notwithstanding the flattering, fallacious success of our arms.”—“ The country is capable of being restored under a *proper settled government*, and lasting peace ; warfare swallows up new-acquired revenue, turns the heads, and bewilders the Company’s servants from attention to their mercantile business ; and the Direction must labour under heavy embarrassments in conducting the two branches of war and trade * —A trading and a fighting Company is a two-headed monster in nature that cannot exist long, as the expence and inexperience of the latter, must exceed, confound, and destroy every profit or advantage gained by the former.”—Let us boldly dare to be *Soubab ourselves*, our own terms have been more than once offered to us by the Emperor ; why should

* Interest. Histor. Events, Vol. I. page 180.

we longer hesitate to accept them?—we have not scrupled to seize and possess part of his territory with violence; surely it would be more conscientious, and more consistent with the laws of nature and nations, to hold the whole of these provinces under him by his own appointment.

“ We cannot enough applaud the reasonable measure of sending out Lord Clive, which we esteem a happy event. I think the Public will not doubt this opinion to arise from a just regard to his Lordship’s character, as they know we lie under no obligations to that quarter that might excite our partiality.”

“ To sum up the whole, we venture to stake our credit and veracity on the assertion, that the two provinces of Bengal and Bahar will fully yield a revenue of eleven crores of rupees, or £.13,750,000; if it yields this under a despotic, tyrannical government in time of peace, and currency of trade, what may we not more expect from its improvement under a mild British one*?”

* Interest. Histor. Events, p. 204.

Governor Holwell, in 1759, had convinced Lord Clive and the Board that his reasons for the public sale of the rents of the Company's lands by auction were unanswerable; and the sale was unanimously resolved on: he explained the whole to *John Payne*, Esq. the Chairman of the Board of Directors*.—"I had taken great pains to ferret out the real value of the lands, which was covered with almost impenetrable obscurity and difficulty. By an estimate I gave Colonel Clive at his return from the Patna expedition, I ventured to pronounce they would yield seven lacks and a half, and the total of their sale on the 13th July amounted to 7,65700 *ficca rupees per annum*, exclusive of several reserves in favour of the Company, such as a considerable tract of land taken from the *pergunnahs* adjoining Calcutta, to extend its bounds, and all the advantages resulting from holding the royalties and judicial proceedings, &c. in our own hands on the Company's account: so that I judge the whole produce of these lands (the before-

* Interest. Hist. Events, Vol. I. p. 230.

mentioned reserves included) will be annually between nine and ten lacks, the sum I gueſſed, when in conference with you in England on the ſubject.

“ Methinks I hear you cry out, what the devil became of this difference laſt year ? as it muſt have been collected, beyond a doubt ; or from whence can this advance answer to the preſent farmers ? The answer is eaſy and obvious ; the difference fell ſhort in its way to the Company’s treasury, by the ſelf-ſame roads your former revenues were diſſipated, prior to the reform of your *Zemindary*. As your former *Zemindars* could not juſtly be deemed culpable in that caſe, from the frequent change of poſt, ſo in the preſent no blame properly falls on your collector, the truſt being too extenſive for any one man exiſting ; and though frauds are equally obvious from the extraordinary increaſe at a public ſale, from farmers ſubject to every poſſible check and reſtraint that can either prevent their debaſing their lands or oppreſſing the tenants, yet there is a moral certainty or profit to him, at the expira-

tion of three years, and that they will then yield a farther increase to the Company.

“ I will clear up a circumstance that possibly may be cause of wonder to you ; by what means I arrived at their real value.

“ In the first place, I had long and full conviction that the same system of fraud and chicane ran through every *Zemindary* of the provinces, and from a general knowledge of the country granted to us, it appeared to me astonishing they should yield no more than was brought to the Company's credit, at the close of the year in April 1758, when so small a territory as *Calcutta* produced, on a scrutiny and reform, an increase of 73 to 80,000 sicca rupees *per annum*. I tried various means to trace out a satisfactory reason, and to account to myself for it, but without success, until I learnt by accident that three or four of the *old standards*, employed as tax gatherers and writers in the *pergunnabs*, had been dismissed at the instigation of the *new operators* : I sent privately for one or

two of the most creditable of them, and inquired into the cause of their dismissal; and this brought on an opening of the whole scene, and gave me a sufficient foundation for forming my Letter of the 11th June, 1759*.

“ Thus having made you master of the subject in as short a detail as possible, I shall close it with this remark, that the same chain of frauds runs through the whole empire, but more particularly in these provinces, to the heavy annual loss of the Crown, a circumstance which may, in a future, favourable conjuncture, be well worth consideration; at present we have but to ask and to have a more easy acquisition of the *Soubahdary* than we have already obtained of the *Pergunnahs*, but the times (1759) are not yet ripe for so great a grasp, nor have we sufficient strength to hold it; though it is certain, were we *Soubahs* of the provinces, the Emperor

* Interesting Hist. Events, Vol. I. to C. Manningham, Esq. and Council, p. 226; and farther detail of the value of the *Pergunnahs* under different management, Vol. I. p. 216.

would receive more than double the revenues these provinces ever produced to him, and the East-India Company would become in a short time the richest body of subjects in the world*.

“ On a candid and attentive perusal of my third chapter †, it will be obvious, from the whole tenor of it, that it is calculated to incite you to attempt the possession of this country in *trust* for the Emperor, and thereby put a period to a destructive and inadequate war : but can you imagine I excite you to this from the consideration of the worth of the provinces, according to the rates standing on the *King's* books ? no ; it is from the consideration of their real *value* and *actual produce*, and the *farther consideration* of how much this *produce* would certainly be increased under an English *Soubah* ‡.

* Interesting Hist. Events, Vol. I. p. 231.

† *Ibid.* Vol. I. p. 177.

‡ *Ibid.* Vol. I. p. 211, supplementary letter to H. C. Boulton, Esq. and the Directors, December 1765.

“ You have been told, gentlemen, that the revenues of Bengal are rated in the *King's* books under three crores of sicca rupees; if it is said the lands are so rated, you have been told the truth; these only go into the Royal Treasury, and, to the best of my remembrance, are rated two crores seventy-five or seventy-six lacks, and some odd, thousands rupees. Ought this information, without looking farther, to be taken as a proof of my exaggeration? when my estimate *expressly includes the rents of the lands, and the revenues arising from their produce*, which I have estimated *conjunctly* at eleven crores, and now proceed to the proof*, resting it upon what those conversant in your affairs in India will admit to be an indisputable fact, that the lands throughout the provinces bear nearly a proportional value to each other.”

• I repeat then, and insist on my estimate, that exclusive of the royalties, upon an obvious and fair calculation, the whole lands of the three provinces have never

* Statement of the value of the *Pergunnahs*, Interest, Hist. Events, p. 216.

yielded less than 11 crores 40,000 ficca rupees *per annum* ; and deducting for Orissa 1 crore and a half, at which the lands and revenues of that province are usually estimated, there will remain nine crores and a half for Bengal and Bahar, to which annex the royalties, and they will more than make good the above deduction for Orissa.

Though I have, in my general estimate, confined myself to the consideration of the known and established *rents* and *revenues* of the provinces, yet the *extra items specified above* no less constitute a *part of their* value, and though these *items* have for a long course of years been concealed and embezzled from the government, that is no reason why they may not *in future* be brought to account by a *British Soubah* at the head of it, an event which I will still hope is not far distant.

Governor Holwell concludes his Letter to the Directors, December, 1765*, “ with

* Interesting Hist. Events, 2d edit. Vol. I. p. 220.

a few anecdotes relative to the lands and revenues of Bengal.

“ The *rents* of the lands are the property of the Emperor, in consequence of which he has a royal *Dewan* in every *Soubahdary*, but there is always a good understanding between the *Dewan* and the *Soubah*; they never are at a loss in pretending reasons for the rents falling short, though the whole is strictly and fully collected: what is diverted from the royal treasury is divided between the *Dewan* and the *Soubah*, of which the latter always takes the lion's share.

“ Though the amount of the rents on the King's books is near three crores a year, yet the highest stipulation made with the Emperor was one crore one lack one thousand one hundred and one rupees, by the *Soubah Soujah Khan*, and this was regularly remitted to the royal treasury until the usurpation of *Aliverdi*. He, on pretence of the distresses of the provinces, (to which distressed state he himself had brought them) made a new stipulation of

fifty-two lacks *per annum*, to which he paid no regard longer than the Vizier *Monfoor Ali Khan*'s army was within a few days march of Patna, A. D. 1750 ; nor has the royal treasury benefited a rupee from these provinces since that period.

“ The established ground rent is three sicca rupees per *Begab* *, about one third of an English acre, throughout the empire ; but *Aliverdi Khan* made the first innovation in this established law, and assessed the land *four annas* sicca, or a quarter of a rupee, upon each *Begab*, on pretence of the *Chout* paid to the *Mahrattas*, and raised the rents of the *Rajahs* and *Zemindars* in that proportion ; these had no other means of reimbursing themselves but by levying it on the farmers, and they again on the tenants.

“ Subsequently, the lands were, on various pretended exigencies, at different periods, assessed to ten sixteenths of a rupee, though every additional tax on land above

* *Reyutty*.

three rupees *per annum* is contrary to the *standing law* of the empire, which, until *Aliverdi's* time, had been held sacred and inviolable.

“ In the year 1732, your Governor and Council had in agitation the *raising the rents of your own Zemindary of Calcutta*, which, being rumored abroad, they received a peremptory *Perwannab* from the *Soubah* forbidding them, in which the *Soubah* told them that they were presuming to do a thing which he himself had not power to do, and that if they persisted they would, by *the laws of the empire*, *forfeit* their lands.

“ Frauds throughout the empire in letting the lands are manifold : for instance, the *Rajah* and *Zemindars*, by private compact with the *Soubah's officers*, who are charged with the management of this department, obtain more lands than by their *Sunnuds* (or grants which are commonly called *Pottahs*) appear, and consequently pay no rent to the *King* for the surplus land. The same artifice is practised between the

Dewans of the *Rajabs* and *Zemindars*, and the *Ixardars* or farmers, and the tenants (*Reyut*) or common *Pottab*-holders under them, by bribing the officers of the *Jum-mabundy* and those entrusted with the *measurements* of the lands, that they may enjoy the benefit of the surplus land : and I may justly aver, there is not a tenant in *Hindostan* but possesses and occupies a greater quantity of land than his *Pottab* expresses, consequently it is the *tenant* (*Reyut*) that ultimately enjoys the benefit of the surplus land, thus gained by corruption from the *Soubah's* ministers, while the King specifically suffers in his rents. It extremely well answers the tenants (*Reyuts*) purpose to possess, if he can, by a small bribe, more land than he pays for, because himself and his heirs enjoy the profit of it for *perpetuity* ; since, by a fundamental law of the empire, their *Pottabs* are *irrevocable* as long as they pay the rent rated in them respectively ; and so *tender and indulgent are the laws of Hindostan in this particular, that no tenant forfeits his land before he has failed in his payments twelve*

months, though the land tax by the same laws is to be paid every three months.

“ This method of secreting or purloining the land from the *King* and the *Soubah* has been practised time out of mind ; and it is quite in point to mention a flagrant instance that appeared in the year 1753, when, in consequence of the general scrutiny made by *your order* in your *Zemindary* of *Calcutta*, it was demonstrated that in your small district, upon a favourable new *measurement* of your land, there were near 500 *Begabs* secreted in this way and fraudulently enjoyed by your tenants, for which you had received no ground rent from your being invested with the *Zemindary*, of this you may be convinced by turning to your *fummabundy*, or register of your lands, subsequently by *me* transmitted to you. As you, gentlemen, have by that measurement gained 500 *Begabs* of ground upon a possession of 6,200, you may judge from thence what an astonishing additional revenue would arise to you, when *Soubah* of the provinces, from a *new though favourable* measurement of the whole lands.

When the revenues arising from the lands of this country are retained in the proprietor's hands, that is, not farmed out, one universal chain of roguery runs through the whole, as well as in the rents of the lands, and there is a fellow-feeling between every one employed in the collections, from the *Dewan* to the lowest *Moree* or writer, and this the *Rajabs* and *Zemindars*, the great proprietors of the land, are no more exempt from than the Company is, notwithstanding the utmost integrity of their covenanted servants : but I have so clearly traced and laid open the nature of those frauds, which are similar throughout the empire, in my state of the Company's revenues *Zemindary*, dated December 15, 1752; that I need not trouble you further on the subject than to refer you thereto."

In another part Governor Holwell * mentions an anecdote which recalls the attention of Great Britain to the *rights* of the natives of the Bengal provinces ; that when the Hindoo *Rajabs*, or Princes of

* Interesting Hist. Events, Vol. I. p. 37.

Hindoostan submitted to Tamerlane, it was expressly stipulated that the Emperors should never impose the *Jesserah*, or poll tax, upon the Hindoos.

But to bring forward an authoritative native voucher of the peculiar rights and customs of *Bengal* and *Bahar*, I shall, in this place, insert extracts from the *Ayecn Akberry**:—In *the Soubah of Bengal* “the subjects are very obedient to Government, and pay their annual rents in eight months by installments, themselves bringing *Mahurs* and *Rupees* to the places appointed for the receipt of the revenues, it not being customary in this *Soubah* for the *Husbandmen* and *Government* to divide the crops. Grain is always cheap, and the produce of the lands is determined by *Nussuk*: His Majesty has had the goodness to confirm those customs.”—the term *Nussuk* is explained in the article relating to the duties of the Collector of Revenues, and connects the custom of Bengal and Bahar under the description *Kunkaot*, “*Kun* in the Hin-

* *Ayecn Akberry*, Vol. II. p. 9.

dooce language signifies *grain*, and the meaning of *Koot* is conjecture or estimate: the way is this, the land is *measured* with the crops standing, and which are estimated by inspection; those who are conversant in the business say, that the calculation can be made with the greatest exactness: if any doubt arise, they weigh the produce of any given quantity of land, consisting of equal proportions of good, middling, and bad, and form a comparative estimate therefrom*. “The *Nesfuch* is the estimate of assets of revenue †”

The custom of *Bahar*. “It is not customary in *Bahar* to divide the crops; the *Husbandman* brings the rents himself, and when he makes his first payment he comes, dressed in his best attire ‡.

This book being made up of extracts at length, as far as possible to enable every one to draw his own conclusions, it will

* Ayeen Akberry, Vol. I. p. 379.

† *Ibid.* p. 381.

‡ *Ibid.* Vol. II. p. 31.

be necessary to make some very short observations to rescue this period from hasty criticisms of the superficial reader.

Prior to the acquisition of the *Derwanee*, the Company, in the management of their landed territory, did not feel a common interest in the rights of the natives, nor of the Moghul, nor in the consequences of their trade on the general prosperity of the country. Governor *Holwell* and the Company only considered how much they could get in the scramble.

Lord *Clive*, with an ability and decision which marked his character, and a judicious use of the technical term *Dewan*, acquired an empire, and combined a complex government, capable of being thus kept together by power as absolute as that of the Moghul, and by ability eminent as his own, until an avowed sovereign could be held forth to rescue the country from the inevitable abuses of nominal sovereignty. The minute above recited shews Lord *Clive* to be sensible of the difficulty and peril to which his system was exposed,

but he did wonders in grasping for Great Britain an empire which his abilities had brought within his reach.

Before we take leave of this period, to which, for the purposes of good and permanent system for British India, we shall often recur, more for instruction than imitation, we must remember the concurrent plans of France, and the ability of *Buffy*.

“ The French appear to have been the first European power that trained the natives of India to regular discipline, as well as the first who set the example of acquiring territorial possessions, of any great extent, in India*, in which they have been so successfully followed by the English.” In another part of his Memoir, with a liberality of sentiment, and a love of truth which guides the pen of that invaluable geographer, Major *Rennell* informs us that, “ had it not been for the marches of M. *Buffy* (the only monument remain-

* *Rennell's Memoir*, Introd. p. xci.

ing to the French nation of their former short-lived influence and power in the *Decan*) the geography of those parts would have been extremely imperfect ; but they extend through more than four degrees of latitude, and more than five of longitude." Mr. *Grant* examined in detail the financial plans of Mr. *Buffy* in the *Decan*, interrupted by his being recalled suddenly into the Carnatic by *Lally*, justly accused of being jealous of *Buffy*'s fame. It will always be an honour to the British name, that the character of that great man, M. *Buffy*, has been rescued from the nibblers at his fame, by Mr. *Orme*'s investigation of his military and political career — by Mr. *Rennell* in his geographical — and by Mr. *Grant* in his financial plans : and it will be gratifying to every Englishman, that an English *Clive*, in ability, decision, and success, should live preeminent in the page of history ; and it is no small confirmation of Mr. *Grant*'s opinions, that, on a plan similar to his own, *Buffy* intended to establish the power of *France* in *India*.

CHAP. II.

HAVING stated the principle of government and revenue at the period of the acquisition of the *Dewannes*, we must enumerate the financial experiments of the *Dewan*, under the orders of very respectable and able servants of the Company, to whose lot it fell to endeavour to combine all the profits of the Moghul, the peculations of the *Soubah*, to a rack-rent of the territory, by a revenue-administration supposed to correspond with the Moghul system, supported by the force of the British arms. The veil of a nominal government naturally threw the whole of the detail into the hands of native managers; and the above extracts from Governor *Holwell* shew how little the natives had to expect from the moderation in the demands of British management, and how difficult it was to investigate the native forms or institutions.

Mr. *Grant* admits* that Lord *Clive* could not have found a more respectable *Mussulman* than *Mahomed Reza Khan*, a more experienced *Hindoo* than *Rajah Doelubram*, nor a more intriguing and skilful manager of the complex and involved obscurity of Indian finance, than *Rada Kunt Singh*, the elder brother of *Gunga Govind*, father of *Praen Kishen*; yet under their management every source of information was completely stopped, and successive governments have been foiled in every attempt to execute their plans.

During the first period of the *Dewanee*, or *M. R. Khan's* administration, the veil of nominal Moghul government was strictly adhered to; but the Company's government, after a very short trial, found its profits not corresponding to their expectations, to which, indeed, they themselves do not seem to have placed limits. The subject was taken up in Parliament, and a Committee of the House of Commons en-

* Analysis of the Revenues of Bengal, MS.

deavoured to develop the intricacy of the double government in British India; from the *Reports of which Committee*, in 1772, 1773, and Mr. *Grant's Analysis of the Revenues of Bengal* in 1785, any diligent financier may ascertain the innovations artfully introduced in the revenue system of the Bengal provinces at this period, both in the definition of persons and things, to render the Moghul system unintelligible, and to cover their speculation from the possible control of the Company; or, if in candor we can give to the native administration the colour of pious fraud, to save their countrymen from the avarice of their new conquerors, and to obtain the exclusive direction of the internal government.

CHAP. III.

Second Period Dewannee.

UNDER all this real and artificial confusion began the second period, by Mr.

Grant called Provincial Administration: a *Jumna bundy* of the *Dewanny* lands was settled with *Zemindars* by the Council of Revenue at *Moorshedabad* in 1771 to aid and control *English Supervisors*, then recently appointed to act in the last year of the *Naibut* of *M. R. Khan*; they depended chiefly on him for official information, and conformed, for the most part, to his system. Mr. *Hastings* at this period was called on to produce an ostensible plan, which is recorded in detail in the Reports of the Committee of Secrecy of the House of Commons; the occasion arose from the necessity of putting a period to the native administration, under the veil of double government, impenetrable even to the Proprietors and Directors*. The Bengal Government was informed that "the Company have determined to stand forth as *Duan*†; the servants employed in the collections shall be stiled *Collectors*" instead of the present appellation of *Supervisors*; a fixed *Dewan* to be nominated by the

* East India, 6th Rep. Com. Secr. p. 307.

† Letter of the Directors per Lapwing, par. 12.

Board; lands to be let for five years, and to consist of an *entire Pergunnah*, not exceeding one lack of rupees; the *Bundebust* to be made by a *Committee* of the *Board* in a *circuit of the province*: these were the outlines of the revenue plan; it was immediately executed, and the plan of settlement for five years, exclusive of the form of lease by auction, seems generally modelled to the *Bundebust* of 1765; and its improved amount, by Mr. *Grant's* calculation, exceeded *Coffim Ali's* net *Malgoozary* revenue by three lacks.

The flattering prospects which were held forth, and had influenced the measure of appointing a Committee of Circuit, with powers to make a five years settlement with temporary farmers or renters of the revenues, soon vanished, and closed the farming system; for instead of profit, there ensued alarming diminution of revenue, joined to an increased expenditure, without a possibility to foresee or prescribe a limit to the mischief. The *Zemindars*, excluded from the functions of *their office* in *collecting* the rents from the *Reyuts*,

which gave them influence in the country, excused themselves from performance of their *justiciary* duties, whereby, in all the principal towns, *Moorshedabad, Patna, Dacca, Houghly, Purneah, Rajemal, &c.* the *Soubahdar* himself, his *Naib*, and *Fougedars*, resided with salaries, stipends, and allowances, more than sufficient to support all the tribunals of criminal justice necessary for all *Hindostan*; while another set of individuals was invested with the rank and dignity of those officers, with appointments larger than they could have enjoyed in the most splendid periods of the *Moghul* government. This impolitic expence and parade to the *delegates of British* administration, diverted the respect of the natives from the *British* to their native agents, who, to increase their patronage and profits, suggested lesser *Fougedary* tribunals, and had the art to continue these *Fougedary* incumbrances, even *after* the *Zemindars* were reinstated in their full jurisdictions, when all should have reverted to the former order.

CHAP. IV.

The second Period, corrected by Act of Parliament.

IN this state was the system of revenue management when the Legislature of *Great Britain* prescribed an amendment; a Supreme Civil Government, a Supreme Court of Judicature, a limitation of the Company's dividend, an assumption of three fourths of the surplus of the net revenues in behalf of the nation, and the separation of the revenue from the commercial department, were the principal features of Lord *North's* plan for the better administration of *British India*, to preserve it for *Great Britain*, after he had ably asserted the rights of the State against the claims of the Company to the territory. At the expiration of the five years settlement of the Committee of Circuit, Mr. *Hastings*, profiting by experience, wished to revert to the constitutional system of *Moghul* settlement on the best information he could obtain: his real diffi-

culty, his mistrust of *Ameens* and conviction of abuses, and of an existing regular system in the country, by this production a *Kurcha** of a *Reyut* should be taken collectively with the acknowledgement which closes Mr. *Hastings*' minute of the 12th November, 1776, "I am not prepared to propose a complete plan, and decline giving a premature and partial opinion while I am professedly seeking for the grounds which are to determine it†," they fully evince the mind of the Governor General, and the motive of his experiment. To Mr. *Francis* it appeared, on the contrary, that there was no necessity for the interposition of Government between the *Zemindar* and *Reyut*; "if they are left to themselves they will soon come to an agreement, in which each party will find his advantage‡;" "we have no safer rule to direct us, than the actual receipts of the three last years, because they shew *best* the actual state of lands;" "that Government must make an estimate for a

* Account current.

† Mr. *Francis*' Original Minutes, p. 155.

‡ *Ibid.* page 55.

permanent establishment, civil and military, and investment, with a reasonable allowance of surplus to answer the possible excess of disbursements beyond the estimate; that the revenue of 1776 of itself would leave *a sufficient surplus* to provide for unforeseen emergency, and so far from wishing to increase it, he conceived it would be necessary to remit part of it in the future collections, lest the accumulating surplus should absorb all the circulating specie of the country."

It is not necessary to enter farther into the controversy, than to state that whatever degree of rivalry or personal animosity unfortunately existed between Mr. *Hastings* and Mr. *Francis*, the point of political difference in 1766 appears limited to the revenue system. Mr. *Francis* agreed that the appointment of the *Naib Subah* was a proper beginning, which the proposed farther investigation of the *Fougedary* and *Zemindary* jurisdiction might render applicable to the country and to the reduced state of the *Zemindars*; but to Mr. *Hastings'* plan of settlement Mr. *Francis* op-

posed with an acknowledged want of information, entire dependance on the single principle of permanency to render unequal assessment, and an absolute dependance of the *Reyut* on the *Zemindar*, unproductive of inconvenience. The original minutes and the plan of settlement of Mr. *Francis*, I may again revert to ; but at this period it is sufficient to observe, that Mr. *Hastings*' *Aumeen* plan was adopted, and the result of that settlement certainly produced only a larger remission of the diminished *Jumma* of *M. H. Khan*, a farther increase of charges, farther diminution of income, and balances as large as ever. Mr. *Grant* has investigated in detail the accounts of this period ; and he makes it evident that the whole of these consequences were imputable to the want of a *system* founded on fixed principles of finance applicable to the state of the country, and not merely to casual increase of charges ; for the *income* of the *Soubah*, collected from *Zemindars* and farmers, or the *Malgoozary*, is demonstrated to have been *less*, even where the country was improved, and where the *Reyuts*

actually paid, in the name and behalf of Government, *more* than they paid on the highest standard of former years; still the balances increased, and appeared to grow, in the inverse proportion to irregular, injudicious *full remission* of the stipulated dues of the Exchequer.

In tracing the revenue arrangements, which engaged the controversial talents of Mr. *Hastings* and Mr. *Francis*, I mentioned that the *Fougedary* system, by the appointment of a *Naib Soubah*, or Deputy *Soubah*, was not objected to by Mr. *Francis*: this department, including all the criminal justice of the country, was not wantonly taken up for the purpose of reform by Mr. *Hastings*, any more than the Revenue Department; Parliament had appointed a Supreme Court of Judicature by the act 1773*, on the supposition that a Mayor's Court would not be adequate to the administration of the provinces. It is not necessary to state the consequences of *British* law, and of the *King's* writs having

* Vide Act 13 Geo. III. cap. 63. sec. 14.

currency through the provinces ; or of the application of the law to persons ignorant of European process, and themselves undefined by *British* Governors ; it is enough to observe, that, so early as March, 1776, the majority of the Supreme Council of *Calcutta* confirmed the opinion of Mr. *Verelst*, that *Bengal* could not be held by *British* laws, administered to the natives by the Judges of His Majesty's Supreme Court of Judicature* ; and farther satisfactory demonstration of the necessity of constant reference to *Sunnud*, for the purpose of correct definition, appears in Mr. *Grant*'s statement of the proceedings of the Courts in the cases of *Zemindars* †.

The Legislature of *Great Britain* was not inattentive to the confusion it had occasioned, and, in 1781, took the best measure, as a preliminary to more effectual regulation, to grant *a general indemnity*. 21. *Geo. III.* cap. 70, sec. 28, “and where-

* Mr. *Francis*' Letter to Lord *North*, p. 41.

† Inquiry into *Zemindary* tenures. *Debrett*, 1790, p. 9. and Appendix, No. 4, C. D. E. F. G. H.

“ as in the late dissensions between the
 “ Governor General and the Judges in
 “ *Bengal* many things have been done not
 “ justifiable by the strict rules of the law,”
 it is farther enacted that “ the said Go-
 “ vernor General and Council, and Ad-
 “ vocate General, and all persons acting
 “ under their authority, are severally and
 “ jointly, so far as relates to the resistance
 “ to any process of the Supreme Court,
 “ indemnified and saved harmless,” &c.
 And by section 8 of the same act, it is
 enacted, that “ the Supreme Court shall
 “ not have or exercise any jurisdiction in
 “ any matter concerning the *revenue*, or
 “ concerning any act or acts done in the
 “ *collection* thereof, according to the *usage*
 “ and *practice* of the country, or the re-
 “ gulations of the Governor General and
 “ Council.” And by sec. 9 it was farther
 enacted, that “ no person shall be subject
 “ to the jurisdiction of the Supreme Court
 “ on account of his being a land-owner
 “ or farmer of land;”—this was connected
 with the other clauses of the same act in-
 serted at length *, which guarantee the

rights and authorities of fathers of families and masters of families, according as they might have been exercised respectively, by *Gentu* or *Mahomedan* law *. And it must be particularly attended to, that the act of 1781 reduced the Supreme Court of Judicature, instituted in 1773, nearly to the limits of jurisdiction of the *Mayor's Court*, according to its original charter still existing at *Madras* and *Bombay*; but the forms and increased expence incident to the great scale of the Supreme Court, perhaps *necessarily*, have been continued to the present period.

I remarked that at the period the Directors stood forth as *Dewans*, the commercial and revenue departments were intended to be distinct; it was obvious at that period that the landed revenue was the basis of the commercial and political greatness of the Company, and having seen that the Revenue Department alone had absorbed the zeal and contests of the Govern-

* Vide Act. 21. Geo. III. cap. 70.

ment, it is not therefore surprizing that no one of the plans intended to render the country prosperous had been attempted: the *subsidiary* principle which, in 1773, succeeded the unjust auctioneering practice of farming, on the avowed principle of collecting as much as possible from the country, has fully employed the talents of Mr. *Hastings* and Mr. *Francis*, and Sir *John Shore* and Mr. *Law*, who all have, and they profess to have, the same *subsidiary principle*, of forming a settlement to the amount, which, from past experience and conjecture (expressly excepting actual measurement and actual valuation) they severally, in honour and conscience, believe the country *capable* of paying into the Exchequer, without a possibility of outstanding balances; it is therefore necessary to rescue that period of Lord *North's* administration from obloquy, by stating an extract of some speculations, and practicable means of giving prosperity to *British India*, composed by Sir *James Stewart*, at the desire of the *East-India Com-*

pany, and printed at their expence, in 1772*.

CHAP. V.

Methods proposed by Sir James Steuart for extending Circulation by the Means of Paper Credit in Bengal.

LET us now suppose that the nature of the drains which tend to diminish the current coin of *Bengal* have been pointed out, and that the methods for rectifying the abuses have been understood as hints for making more accurate discoveries upon the true state of these important objects: the next objects of inquiry are, the proper methods for accelerating circulation; for by accelerating the circulation of the coin

* A memorandum in the copy I bought at a book-seller's, states that it was not published, but circulated by the Directors in 1772 to particular persons.

you have, you virtually increase the quantity of it; that is to say, a less quantity will be necessary for performing the same purposes.

The great branch of circulation in most modern states, and in *Bengal* like the rest, is the collection of the public revenue, and the expenditure of it; promptitude, and punctuality in this particular, work strongly by example upon every private transaction.

The revenues of *Bengal* are, properly speaking, the land rents of the country; these have at all times been let in farm by the sovereign, to *Subas*, *Nabobs*, and the greater subjects, who, paying a fixed tribute to the Prince, parcelled out their districts to persons of an inferior rank: each of these in his smaller department did the same, until the lowest in this subordination of lessees collected his proportion from the labourers of the land.

We need not travel so far as *Bengal* to find examples of this œconomy: the cus-

tom of farming every branch of revenue was very common over all Europe not many centuries ago ; and the method of farming whole estates, or of collecting the rents of landed property by an interposed person, is at this day very well known in *France*. The custom of letting leases of very extended property in land, to people who farm it out, differs very little from the system of *Bengal*.

Besides the great loss to the Company in continuing to follow this plan, the unheard-of extortions, and the oppression of the body of the people, which are the consequences of it, call loudly for a change of management.

The money paid by the labourers of the ground is at present interrupted in its course at every change of hands, until, by the repeated shroffage, it comes at last reduced, as I may say, to a shadow, into the Company's treasury ; this abuse is felt and acknowledged by every body ; and unless it be reformed, the revenues of the Company

must daily diminish, and be, in the mean time, very precarious.

It is, no doubt, an arduous task to undertake so great a reformation; but absolute power, supported by justice and common sense, will get the better of obstacles, which in other countries would be unsurmountable.

It will require the greatest talents, and the best information as to facts, to bring so great a change to a perfect execution: but let it be remembered, that *William the Conqueror* made a complete survey and valuation of a country less known to him than *Bengal* is to the East-India Company; and nothing prevents the Company from availing themselves of the principles of the feudal system of government in the execution of their plan.

If the whole lands of *Bengal* be valued; if a book be made out for every district of the country, and for every city and principal town, and the rent payable to the Company by every possession be therein spe-

cified, it will be an easy matter to establish a sort of quit-rent which may be payable by the whole district to some man of consequence, who may be considered as the superior lord of it, without giving him any jurisdiction which may enable him to oppress the people or interrupt the settled plan for levying the revenue. By this regulation the rents of the lands will pass directly from the occupier into the hands of the Company; the circulation of money will be quicker; the revenue will be greatly augmented, and several of the most considerable people will be provided with revenues, independant of every one but the Company; instead of the wealth of the country being swallowed up, as at present, by the *Shroffs*, a set of people of no consequence for supporting the authority of government, but who, like a canker-worm, are always preying upon the vitals of the state.

Were this first part of this plan put in execution, another may be made to succeed.

The labourers in *Bengal* are, for the

most part, manufacturers; part of their rents, instead of being made payable in sicca rupees, might be made payable in goods; and stamp offices might be established to ascertain their being made without defect.

In the proximity of great cities, and in very populous districts, granaries might be established, and part of the rents might be received in grain for the supply of markets, at a price proportionate to the plenty of the year. Even these granaries may be converted into banks for grain, according to a plan which may be contrived for the circulation of subsistence, and even of paper credit within a small district.

These are mere hints which point out progressive improvement; but were I here to enlarge upon them, they might appear so very chimerical, as even to discredit the thought itself. Let it, however, be observed, that what is here proposed is not intended to be executed by dint of authority; it is calculated so as to execute itself, as soon as the utility of it is perceived, and the

credit of the Company is firmly established.

I have, without success, investigated every principle upon which a paper currency, *under the authority, and upon the credit, of the Company*, can be established; but the principle upon which this branch of credit is grounded is totally incompatible with sovereign power; it is founded on *private utility*, and it has even occasion for a *superior authority* to keep it within bounds.

Were the Company to open a bank in *Bengal*, such as the Bank of *England*; were this bank to become there as the other is in *London*, the center of all circulation; and were it to get possession of a great part of the coin of *Bengal*, what security could be given, that, upon a pressing occasion, this treasure might not be spent in the defence of the country? were it made a bank purely of deposit, like the banks of *Amsterdam*, *Venice*, *Nuremberg*, and many others upon the continent, the deposit contained in it would be exposed to the same danger. Were it established upon the mortgage of land property, and upon the

best personal security, as the banks established in *Scotland* are, the former inconvenience would not indeed be so great, because the quantity of the bank treasure never could carry so high a proportion to the notes in circulation. But, on the other hand, where is there to be found a solid property in land to be mortgaged for such an immense quantity of paper as is the unavoidable consequence of this plan of banking? and this growing deficient, the powers of such a bank would be very limited.

A system of paper credit, similar to that established in the Colonies of *North America*, where the paper is issued upon no other security than the bare promise of the Colony to make it effectual, with an obligation to receive it in payment of their taxes, but without providing any fund to pay upon demand either the capital contained in the note in specific coin, or even an interest corresponding to the sum during the delay of payment, is so defective a scheme, and one so liable to great objections, particularly so that of gradually debasing

the value of their money of account, that I never can recommend it to the imitation of any trading nation.

But although I am of opinion that no bank can be established in *Bengal under the authority of the Company*, with the same advantages as in Europe, where governments are better established, and property well secured, still I am far from believing that the circulation of *Bengal* may not be greatly assisted by the use of paper currency.

I have observed above, that the lending of money to strangers by the servants of the Company, who have a redundancy of wealth, contributed not a little to produce a drain of specie from *Bengal*; I have also hinted, that certain reasons might engage the Company to borrow this money from them upon reasonable terms.

From this circumstance, I think there is an opening for the establishment of paper credit.

Let us then suppose the money borrowed by the Company from their servants in *India* to be sufficient to compensate what the latter now lend to strangers.

Were it proposed to them, either to subscribe their claims upon the Company into a banking fund, or to receive reimbursement from the Company to the extent of what may be subscribed by others for this purpose; this new fund may be divided into shares, of rupees, transferable as the funds are in *England*, bearing per cent. interest, irredeemable by the Company for years; and an exclusive privilege may be granted to the subscribers for the same number of years, for the purpose of carrying on a banking trade; by the issuing of notes in the discounting of goods, bills payable in days; or in consideration of pledges of treasure, jewels, or precious effects, deposited in the bank; or upon the mortgage of good property, and the best personal security, for such length of time as may be judged reasonable and safe; or in the purchase of gold and silver; or, lastly, for advancing certain sums of

money to the Company, upon the security of their annual revenue, according to the practice of the Bank of *England*. All these articles of credit to be given in consideration of such rates of interest as to the Company may seem reasonable, and as the same may be regulated by the Company in the charter to be by them granted to the said banking company.

But the said banking company shall be prohibited from launching out into any precarious object of commerce, or from issuing their paper upon any other securities except those above specified. Under these, and such other regulations as the East-India Company may think proper to add, this banking company may be laid open to natives as well as Europeans: it may begin to discount bills and notes of hand at short dates, which it may renew according to the goodness of the security; and the East-India Company may with safety receive in payments the paper it issues upon discounting such bills and notes, to the extent of the money owing by themselves; or they may furnish out of their

treasures what coin may be necessary for the ready discharge of such notes as may be presented for payment at the bank.

It will, no doubt, be necessary that the managers of the banking trade should quarterly lay before the proprietors an exact state of the notes in circulation, and of the securities received by the bank, at the time of their being issued. And for the greater security against the malversation of those who are in the direction of the bank, and who must be chosen into the direction by the body of proprietors, let it be declared, that the sum of in the banking stock shall be necessary to intitle any one to be a Director: and farther, that the whole property (in *India*) of such Directors shall be pledged, while they hold their office, as an additional security for their good administration.

It is impossible to say what operations may be carried on by this bank, and how far it may in time extend its credit. It may for this purpose open offices in all the principal cities of *Bengal*; which will be admi-

rably well calculated for calling in and re-coining all the old and unequal coin. The *Sbroffs* will naturally become proprietors, and will lend their assistance in this particular, which will be a douceur for them. They will be employed in a trade something like what they now carry on ; but it will be so fenced in by proper regulations, that it will have every advantage and none of the inconveniences of the present practice.

If it be thought expedient to establish granaries, or banks for the circulation of grain, this Company will be at hand for carrying on the operation.

In short, it is impossible to foretell the many advantages which may follow the establishment of credit, secured upon a solid fund of property, in the hands, and under the protection, of the Company, who are to have no share of the profit, and the greatest interest in preventing the issuing of paper upon precarious security.

It would not, I think, be proper to ad-

mit any person of the Council to be either a Governor or a Director of this bank ; but I think it would be expedient to secure the property of the fund for the payment of the bank paper, exclusive of all other engagements the banking company may contract.

If we consider the rate of money in *Bengal*, there will be, perhaps, 8 per cent. upon the bank stock, and 8 per cent. more upon discounting loans, &c. both together will produce so great an emolument as to engage people of wealth and property in the banking scheme : besides, the very notion of standing upon a solid and independent footing, will be extremely flattering to many of the natives. And as the establishment is planned upon the same principles as the Bank of *England*, it is natural to suppose that it may produce similar effects in supporting the credit of the Company on one hand, and in being supported by the Company on the other.

As I have been investigating every method to improve and augment the riches

and circulation of *Bengal*, I cannot omit enlarging upon some circumstances relating to what I may call their foreign trade.

I have endeavoured to find out a method for conducting those resources which proceed from herself (namely, the money she at present possesses) into a channel which may set new engines to work in order to augment circulation and encourage her manufactures, instead of serving as a bare equivalent for those at present produced: this, I hope, will be accomplished by the establishment of a bank, which is a more profitable employment for the *Bengal* money than lending it to our rivals in trade.

The consequence of this will be, that more European silver will flow in upon her, from sources which we ourselves at present are shutting up.

As soon, therefore, as the Company's investments are made, and that the annual revenues from certain districts are paid, or credit given for them, let all the *Bazars* be thrown open to every foreign merchant;

let these be considered as the *sellers of silver*, not as the purchasers of goods; let not the Company grasp at the highest profit possible upon their trade, but let them be satisfied with the highest profits compatible with the prosperity of the country which enriches them.

Were this regulation established, every stranger who should pretend to trade in a district which is in arrear of rent to the Company will be considered as a smuggler, and the prospect of obtaining a free trade by the payment of their rents, will be a powerful motive for the inhabitants of every district to make the promptitude of their payments a common cause.

This will engage them to apply to the bank, and in order to obtain relief from this quarter, they must establish their credit.

In this view the bank will be a check upon every one who may have it in his power to oppress the labourer or the manufacturer; because the profits of the bank

will depend much upon the credit of the inhabitants, and upon the preservation of their property.

What a new phenomenon in *Bengal*, a *Shroff* director of a bank, from a blood-fucker, is become the protector of the labouring man ! Interest does all ; he sucks the blood because it is his interest so to do ; he gives his protection from the same motive : by directing the interest of individuals to a proper object, good government is established.

The foreign trade of *Bengal* is what alone can increase her wealth, or, at least, keep the cistern full, in spite of its many leaks.

It is a general maxim, that exportations enrich a country, and that importations impoverish it ; but this is to be understood in the way of trade.

The exportations made from *Bengal* by the East-India Company do not enrich it, any more than the importation of the

spoils of the world impoverished ancient *Rome*.

The foreign trade of *Bengal*, as I am now to consider it, consists in the raw materials for their manufactures, and in that part of such manufactures as is sold for money brought into the country.

The raw materials are principally cotton, cotton-yarn, and silk. The trade in these articles ought at least to be free, not clogged with any duty, left entirely in the hands of the natives, and every protection and encouragement should be given to those who are concerned in it: even bounties might be granted if necessary.

That the manufactures of *Bengal* need encouragement, is certain, since the quality of goods is said to be inferior to what it was some years ago, while the prices are higher, and the supply less; this never can be the operation of trade; it must proceed from some internal defect, which ought to be well examined into, and its causes removed.

That the investments of the Company should be made in the best goods and the choice of the market, is just and reasonable; but care should be taken to prevent the Company's servants from becoming the purchasers of what remains, with a view to make a profit upon it in the retail to strangers.

I do not object against this purchase because a profit upon it does arise to the servants of the Company; this, in my opinion, should rather be a reason for approving it, both in favour of the servants, and because it is a drawback upon the profits of those who rival the Company in its trade: but when we consider *Bengal* to be a country belonging to the Company, exposed to many drains in consequence of this property, and to one among the rest not inconsiderable, viz. the price paid for the raw materials of all the goods exported by the Company without any profit to *Bengal*, it will be expedient to encourage as much as possible the sale of all that is over the investments of the Company, in such a way as to increase the demand of

strangers, which cannot be so well accomplished, as by leaving a reasonable profit both to manufacturers and to foreign merchants. Had, indeed, *Bengal* no occasion for foreign resources, I should propose no farther restrictions on the Company's servants in buying up goods upon their private account, than what might be necessary for the protection of the manufactures.

To enter particularly into the regulations proper to be made with respect to the trade of *Bengal*, requires the most intimate knowledge of the state of every branch of it: I shall, therefore, content myself with suggesting the *objects* of such regulations. These I take to be,

First, The branch of importations by the Company. As to this, the regulations will relate to the public sales of the goods imported, and to the rules to be followed by all those who are to vend such goods in every part of the country. Uniformity must here be observed: if every purchaser be not intitled to the same freedom; if every purchaser be not subjected

to the same duties upon retail ; and if these liberties and these burdens be not exactly specified ; this branch of trade will never flourish as it ought to do, for the emolument of the Company and the ready supply of the consumer : and as I am informed that there is very little abuse in this particular branch of trade, it will serve as a good model for regulating the rest.

Secondly, The investments of the Company for the European market. Here all proper encouragement must be given to manufacturers : if it be thought proper to accept of part of the rents of the lands in goods, such goods must be of a determinate kind, so as to come under a regulation of prices ; and although the nature and the prosperity of trade require freedom on all hands, still this freedom is not incompatible with such regulations as may insure to the manufacturer the prices and profits which the Company suppose to be consistent with the interest of their own trade, and sufficient to produce a living profit to their industrious subjects, which from abuses they are sometimes deprived of.

Thirdly, The internal trade of *Bengal*; or the sale of its manufactures for the consumption of the country, and the supply of all other markets, by merchants who are, or who are not, in the Company's service. What I shall observe concerning this is, that regulations ought to be made general with respect to all traders: whatever custom, duty or excise be laid on, let them affect every trader equally; let the general and only *Perwannab* be the Company's regulation; let the only *dustuck* be a permit from the Custom House; let frauds by the merchants, let oppressions by the Company's servants, be punished by courts of justice, who then will have a written law before them to regulate their decisions.

The *fourth* and *last* branch of trade is, the importations from the Asiatic nations, principally consisting of the raw materials for manufactures: of this enough has been already said; I shall only add, that premiums may be given to those who will explore the rivers and avenues leading to the countries which abound in such productions, and security granted to the na-

tives who will bring such goods to market.

Many bitter invectives have been thrown out against the excise imposed upon salt, beetle-nut, and tobacco; and because these articles of consumption have been monopolized, and that the profits have fallen into the hands of private persons, it is rashly concluded that the trade in them should be laid quite open. I confess that I see the question in a very different light: the best of all taxes are moderate excises; the most productive excises are those imposed on the necessities of life; they raise the price of living universally and proportionably, and therefore enable every industrious man to raise the price of his labour in proportion to the tax he pays: they are hurtful to the idle; but I do not attend to the interest of the idle, any farther than to discover methods for making them industrious.

The plan followed in *France* for levying a tax upon salt and tobacco will furnish the Company with many good hints for establishing one branch of excise upon

salt: I do not approve of extending it to tobacco and beetle-nut.

Beetle-nut and tobacco are the common productions of *Bengal*, and no excise should be imposed upon articles of consumption, except when it can be easily levied without oppression; it is therefore contrary to the principles of all excises to subject to that duty what may easily be consumed without paying it.

But salt is not a common production of *Bengal*; the places where it can be made are few, and a great distance from the places where it must be consumed. I shall not pretend to lay down a plan for putting salt under an excise, but I shall suggest the principles upon which the plan may be formed.

The salt works must be exclusively in the hands either of the Company or of their farmers: in *France* they are in the hands of the farmers. If in the hands of the Company, all the salt must be collected into certain magazines, and sold at a cer-

tain rate to persons who shall engage to supply every particular district of the country with salt at a certain fixed price. The difference between the prime cost of the salt to the Company, and their selling price to the merchant, is the *excise*.

The price at which the buyer of the salt for the provision of a particular district is obliged to sell it to those of the district is the *assize*; which assize should be as many per cent. above the selling price of the Company, as to indemnify the merchant for all expence of transportation, risk, &c. and also to afford a living profit for himself.

Were this regulation made, and prices fixed for every district, people would be found who would make the proper provision at the Company's magazine, and who would transport it to the place of consumption.

As it cannot be supposed that every individual can go for a small quantity of salt to the office of the district, retailers should

be appointed by the salt office for distributing the salt, at a moderate profit above the office selling price, in every country village.

These are the outlines of the plan adopted in *France*, both for salt and tobacco, with some small variations, however, in consequence of particular circumstances relative to their method of farming and the like, and also to local exemptions from this duty upon salt, which make it very oppressive in those districts where it is collected, but which will be avoided in *Bengal*; first, because there must be no local exemptions; secondly, because there can be no foreign salt introduced, except by permission of the Company; and, in the last place, because the duty imposed must be so small as not to cost the consumer above the value of two rupees for the *Mauud* of 80 pounds weight, except on account of extraordinary distances, or of countries of very difficult access; where, in every way the trade can be carried on, the commodity must bear an advanced price.

From this branch of excise, properly laid on, a great income will arise to the Company, and the country will be better supplied, than by any other method which can be contrived. It is not true that an open trade is always the best; the argument for it is, that the competition between dealers will bring down the price, but this competition is very small in the sale of a necessary of life, little different in its quality, and proportioned, in its quantity, to the consumption of the inhabitants. Under these circumstances, I say, competition will never take place, except when the quantity provided is not sufficient for the demand, and on every such occasion, prices will rise considerably, and the advantage from the competition will not counterbalance the advantage of a steady and regulated price at all times.

Let me here observe, that when trade has for its objects such goods as are produced or manufactured in different places, under different advantages or disadvantages, natural or accidental, no excises can properly be imposed; because prices cannot

then be put under any regulation : the trade must be left free, and those who sell cheapest will supply the market.

But in this trade in salt the case is different ; all dealers in it will buy at the same price, and all of them must sell with the same profit.

There is no risk or expence which will not be compensated with a corresponding allowance on the affize or price of retail ; there can therefore be no occasion to encourage the ingenuity and speculation of merchants for the supplying of markets with this commodity. The salt manufactured will be in proportion to the consumption of the inhabitants ; and as the demand for it will be regular, and the profits to the dealers in it will be certain, the only objects to be compassed by the regulations upon the trade will be, to raise a branch of income to the Company, to supply the consumption of the inhabitants at a moderate and fixed price, and to allow a certain and regular profit to the merchant.

Here again the bank will prove of notable advantage. The undertakers for the salt office in a distant part of *Bengal* may obtain credit from the bank at the Company's salt magazines for the quantity required in the district. It is the interest of the bank to take security for the delivery of the salt into the particular salt office, and when this is done, the general regulations will prevent all abuses in the retail*.

Thus have I endeavoured to lay down the principles of money, as far as they can apply to the present situation of *Bengal*, confined to a silver currency; and I have provided an expedient which will be ready at hand, whenever circumstances may require the assistance of gold: the only thing necessary for this purpose being, to give a legal denomination to the gold coins, according to the fluctuating proportion of the metals in the *Bengal* market.

* The Extract from Sir *James Stewart's* Treatise on the Principles of Money applied to *Bengal* might end here; the remaining sentences are added that the extracts may serve as a directory to the interesting parts of the treatise necessarily omitted.

I have, to the best of my information, investigated the causes of that scarcity of the precious metals so universally complained of; and, in contriving methods for correcting this inconvenience, I have also, in proportion to my knowledge of the state of the country, thrown out hints which people of experience will be better able to improve than I can be to analyze them.

The reformation upon the method of collecting the revenue directly from the occupiers of the land; the converting of a part of it into goods manufactured, or into articles of subsistence; the forming of granaries, and the administration of them, must be the work of time; and the possibility of carrying such ideas into real execution, will be discovered by circumstances only, which have not hitherto existed, and which the greatest human foresight cannot foretell.

The success of the bank, and the prosperity of paper credit, will solely depend upon the credit of the securities taken by the bank upon issuing their notes. If ever

this bank shall carry on trade ; if ever they shall pay for goods with their own paper ; if ever they shall lend this paper on precarious security ; the ruin of the bank and of the credit of the Company in *Bengal* will be the infallible consequence.

CHAP. VI.

Third Period of Revenue Management.

IN proceeding to the short administration of Sir *John Macpherson*, we must not be led to the political or private transactions of Mr. *Hastings*' government, at present the objects of public inquiry ; but having stated that the revenues had diminished, and the charges of management increased, during Mr. *Hastings*' administration, it would be injustice not to bring under consideration, that an accumulating debt arose to an enormous amount, from the wide-extended difficulty and warfare which at that time

threatened the existence of the *British* empire in *India* : and it is remarkable that, in 1782, the increase of the revenues and decrease of charges in collection appear to have been 10,00,948 rupees ; and in twelve or fourteen months of the same period, *Bengal* supplied *Fort St. George* with
C. R. 1,33,65832
And *Bombay* with - 1,02,04175

2,35,70007

Besides providing an investment by a subscription loan ; but if the exertions were extraordinary the pressure of public distress inevitably followed ; whether public calamity was wantonly aggravated by Mr. *Hastings* will be declared by the judgement of the most high and Supreme Court of criminal jurisdiction of Great *Britain*, on the presentment made by the most solemn, grand inquest of the kingdom.

On the 5th of February, 1785, the government devolved on Mr. *Macpherson*, by the resignation of Mr. *Hastings*. Mr. *Shore* returned to Europe with Mr. *Hastings*, and bore with him the testimony also from Mr.

Macpherson, of his being one of the most intelligent and experienced of the Company's servants, during the past management of the *Indian* finance. But Mr. *Macpherson* appears to have thought every exertion, *new* investigation and experiment, as well as effectual reform, necessary to keep the affairs of the Company from sinking. The attention of the Company and of Parliament was at the same period unremitting, and very important changes had arisen in the public mind, and in one point only they all coincided, viz. the necessity of decisive measures; consequently, the Governor General, Mr. *Macpherson*, in *Bengal*, was employed in reducing to practice reforms, which in *England* the greatest abilities were engaged in reducing to practical theory. It appears, however, extraordinary, that in the valuable and bulky volume of *Plans for British India**, not one word relating to the difference of plans, or indeed any thing to lead to any part of Mr. *Macpherson's* administration, appears, notwithstanding papers leading to the fi-

* *Plans for India*, 4to. *Debrett*, 1793.

nancial measures of his government had been laid on the table of the House of Commons to meet the notification of the proposed settlement of *Babar* in 1790*. My attention was therefore led to account for the omission, and, in great measure, I am satisfied that the concurrent proceedings in *Great Britain* and *Bengal* having proceeded on different views of the subject, the Board of Control *to this day* have only seen through the medium of Mr. *Shore*, Mr. *Rouse*, and other sensible men, wedded to old systems, and prejudiced or committed in the old *British Dewannee* system, and consequently has laid aside all Mr. *Grant's* proceedings and reports, as *Serishtadar*, following the advice of Mr. *Francis*; who assured the House of Commons, in 1790, that of all laborious and Herculean undertakings he had overcome, none equalled the perusal of Mr. *Grant's* papers, which Mr. *Greville* had moved to be laid on the table of the House, and also wished to be printed at the expence of Parliament; this fact at least shews that Mr. *Grant's* system was

* Inquiry into Zemindary Tenures, Appendix.

known to exist among the records of the Company, of the Board of Control, and of Parliament. It not only remains for me to shew that there existed a remarkable concurrence between the Government General in *Bengal*, and the Directors, Board of Control, and Parliament, in *Great Britain*.

In January, 1784, Mr. *Macpherson* addressed a separate letter to the Directors, with an outline of a general plan of reform and regulation of *Indian* finance. The Reports of the House of Commons of February and May, 1784, were under consideration of the *Bengal* Governor in December, 1784, and the opinions of the Governor General and Council recorded, and promise of corresponding exertions of the Supreme Government in *Bengal* was promised to the Directors. The 1st of February, 1785, Mr. *Hastings* resigned the government to Mr *Macpherson*. The reform of establishment was begun, the 14th of February, by the reduction of the Governor's body guard, and in general the reforms ordered by the Directors in *London*,

the 11th of April, 1785, had been *made* in *Bengal* in *February*, *March*, and *April*, 1785.

The plan for the discharge of the Company's bonded debt, ordered on the 11th of September, 1785, in *England*, had not failed, though dispatched from the India House before Mr. *Macpherson*'s plan for the same object arrived; and the Directors informed him, " that they had come to the resolution of leaving the first reductions of their several establishments in his hands, reserving to themselves the final revision*."

The revenue plan was ordered by the *Bengal* Government in April, 1786, and on the same month, 12th of April, 1786, the Company's orders for their revenue plan were signed in *London*.

The decrease of charges in the different departments during Mr. *Macpherson*'s short administration, forms so great a resource to the Government of *Bengal*, that it ought

* Directors' Letter, 21st September, Par. 4.

not to have passed unnoticed by any accurate examiner of the different administrations, with a view of establishing principles of fixed government.

Mr. *Hastings*, during his whole administration, was under the pressure of complicated claims from Proprietors, Directors, and Ministers, to participate in his patronage; Mr. *Macpherson* was relieved from this complicated uncontrolled system, by the arrival of Mr. *Pitt's India Bill*, the 26th of February, 1785, at *Calcutta*: but the first advice of the Company's orders to liquidate the *India* bond debt by bills on *England* was received at *Calcutta* the 6th of February, 1786; consequently all the financial efforts of the *Bengal* Government were not then assisted, as they have been since 1786.

The arrangements introduced by Mr. *Macpherson*, immediately tending to a real diffusion of knowledge, and to a real practicable control of *British India*, which have been approved and continued, were, a new calendar, or abridgement of the *Ben-*

gal Government, in the form which has ever since been usually made part of the Court Calendar in *England*; it was compiled by a committee of the heads of the different offices, in 1785, and was in the press in January, 1786. The establishment for the Company's shipping at *Diamond Point*, the establishment of the settlement of *Prince of Wales's Island*, for commercial and political purposes; the commercial negotiations with the European foreign chiefs, and the political considerations relative to the native powers, at least are entitled to general view; some of the objects of internal government appear, from public advertisement, or in the *Bengal* consultations, to be postponed for the necessary intervention of Parliament: the police of *Calcutta*, the regulation of *Bazars*, and reduction of oppressive taxes on provisions, appeared practicable to Mr. *Macpherson*, from the example of *Chinsura*, *Serampore*, and *Chandernagore*, neighbouring European factories; the judges found difficulty in forming a *legal* and *effectual*

* Bengal Consultations, 25th of March, 1785.

remedy; the markets however, were, regulated; wages of servants could not, though there appeared to be in *Calcutta* 30,000 servants and 6000 horses, and the wages one half more at *Calcutta* than at the above-mentioned foreign factories. A bank was established by individuals in *Calcutta*; the *Bengal Gazette*, 23d of March, 1786, contained the plan, and the legal opinion of Mr. *Dunkin* and Mr. *Davies*, which enabled every person to know that the plan stood on private confidence until the Legislature, or a charter from the Crown, incorporated and regulated a bank. But Mr. *Macpherson's certificate* plan established at once confidence in the Company's paper, which he issued, as a substitute to the deficiency of specie from the remittances, to the Coast and *China*; he published in the *Bengal Gazette* the names of the holders, and number of the certificates, and pledged payment of every certificate according to *priority of date*, whereby it is obvious he destroyed the possibility of continuing private management or preference to the prejudice of the Company's creditor,

By a regulation of March, 1785, in the revenue department, every farmer, *Zemindar*, or landholder, was required, at the close of the year, to pass his bond, at 12 per cent. interest, to the Company for whatever balance remained unpaid, to be cancellable only by the order of Directors, whereby it is obvious he cut up the system of fraudulent balances and compositions; these appeared fundamental principles, and led me to investigate the degree of security which was given to the meanest landholder, native *pottah* holder, bound by his heritable *pottah* or grant, to pay a certain portion of the produce, or an equivalent in money, to the protecting sovereign: the reference I make to Mr. *Grant*'s information is sufficient to shew at least that I have been convinced his system *alone* will realise practicable security to native landholders, and to the *British* nation. The honourable distinction of a Baronetage conferred on Mr. *Macpherson*, followed his supercession, and the thanks of the Company, hitherto without their liberality, have acknowledged the extent of the

reforms completed during his administration.

Grand total established charges of the *Bengal* government, as they stood 31st of January, 1785, when Sir *John Macpherson* received charge of the government, *per month*, - C. R. 29,60,627 2 3

Grand total of the same charges, as they stood 30th June, 1786, two months and seventeen days before Lord *Cornwallis*'s accession to the government - 19,76,742 4 3

Total monthly decrease of charges or reduction 9,83,884 14 0

Total *annual* reduction in the established charges of the *Bengal* government, from the 31st of June, 1785, to the 30th of June 1786, 1,18,06618 8 current rupees, or about £.1,200,000 sterling.—See comparative account charges of *Bengal* government, dispatched from the Accomptant

General's office, *Fort William*, 18th September, 1786,

(Signed) J. CHEAP, D. Ac. Gen.

Recd per *Ranger* packet,
in *England*, April, 1787.

I could not pass over this period, from which I have derived much instruction, without directing the public attention to it, particularly as Sir *John Macpherson* has for some time been absent among the *Durbars* of the continent of Europe, and Mr. *Grant* has been judiciously settling the *Doul Bundobust* with his tenants in the *North of Scotland*, where the Board of Control might send for the original native accounts of *British India*, under the *Mogbul* seal of office, and for the valuable historical library, in *Persian*, which with so much modesty Mr. *Grant* refers to in the extract I have made from his political survey of the *Northern Circars*, which information, I believe, could not be obtained in any public or other private collection in Europe.

CHAP. VII.

On the Certificates concerning the Definition of Zemindars.

MUCH stress has been laid on the definition of the word *Zemindar*; in Europe it may appear excess of delicacy and purity of *British* administration; in *India* it can only appear evidence of our extreme ignorance. If we are ignorant, we ought to be cautious from what source we gain information; and the necessity of connecting the definition of office with the *Sunnud*, will appear even from considering the Company's tenure of their *Jageer* in the *Carnatic*, and their *Zemindaries* in *Bengal*. Mr. *Dalrymple* informs us*, that he uses the term *Jaghire* geographically only, for if it was properly *Jaghire*, there would be service due; whereas, the lands being free

* Short account of the *Gentoo* mode of collecting revenue, p. 5. *Elmsley*, 1783.

of all service, he classes the possession as *Inaum*.

Mr. *Grant* informs us, that *Zemindary* tenure in *Bengal* implies official service, and that if it was an heritable grant, it would be *Al-tumgha*, only in use since 1765 *; consequently a definition of these two important terms in the revenue division of *India*, misapplied as a general definition of *Jageers* and *Zemindaries* of the *Moghul* government, must involve us in infinite confusion; and this has actually happened, by referring to the interested native officers for proper definition of these terms. The impropriety and fallacy of the evidence of the officers who answered the questions proposed by the Governor and Council in 1773, is fully stated by Mr. *Grant* †; it will therefore be only necessary summarily to refer to a sentence in his analysis of the revenue of *Bengal*. “ We must admire the candor and simplicity of the *Pundits* or

* Inquiry into the Nature of *Zemindary* Tenures, p. 1. *Debrett*, 1790.

† Inquiry into *Zemindary* Tenures, p. 37.

learned *Brakmin Hindoos*, when applied to, in 1773, to expound the doctrine of succession to *Zemindaries* in *Bengal*; whether by *civil*, or *hereditary* right, it devolved to the lineal descendant of the last occupant, or in virtue of *Sunnud* of the Prince? They declare, "it is not written in the *Shaster*," or divine books supposed to be promulgated 4,000 years before the political institutes of the *Mogbul* Emperors in *Hindoostan*; and we must contrast, not without indignation, the reference of the *Naib Soubah* to the scriptural code of the *Legislator of Arabia*, published in the 7th century, as the rule of succession to *Hindoo Zemindaries*, a species of official property, undescribed in the *Koran*, and first introduced with the *Mogbul* conquest of *Hindoostan*, almost 1000 years after; besides which perversion of chronology, it was a criminal perversion of one of the best-understood fundamental and sacred principles of *Mahomedan* faith, for a *Mussulman* to acknowledge a right of territorial inheritance, independant of virtual supreme authority, to be vested in any *conquered infidel subject*." Mr. *Rousse*, however, rests very much on

this evidence, though he admits “ that if there should be contradiction on similar queries, proposed even to other persons *occupying their stations*, it would certainly weaken the first evidence; but if from the very persons themselves, would not only disparage the first, but render the testimony of such persons altogether inadmissible*.”

My private opinion was satisfied with Mr. *Grant*'s objection to the channel of inquiry; but having heard that similar inquiry had been instituted, 1787, in the revenue department at *Calcutta*, by questions to persons more or less under the disqualification imputable to the respondents of 1773, and that similar questions (I believe with an additional one) had been submitted by Colonel *J. Murray*, for his own information, to some of the most respectable natives of *Hindustan*, whose situation and character placed them above suspicion of intentional misinformation, I was so lucky to obtain a copy of their answer in 1790,

* *Rousse's Dissertation*, p. 133. *Stockdale*, 1791

consequently my opinion was strengthened; but from the above passage of Mr. *Rousse*'s book I should have believed that the other answers obtained by the *Bengal* government, in 1787, were not so conclusive to Mr. *Rousse*'s argument as those in 1773, otherwise he would have published them, instead of reprinting those answers* which Mr. *Francis* had published †, if he had not told us that he had “inspected all the material proceedings of the Company's administration at home and abroad, since 1773, any ways relating to *Zemindars*, (except some that may have arrived within this last twelvemonth) and I declare I have not seen any thing like the contradictions suggested by Mr. *Grant* ‡.” Mr. *Grant*'s letter to Sir *John Shore* §, to which Mr. *Rousse*'s dissertation is an answer, ought to have directed Mr. *Rousse* to the examination of the *Bengal* revenue papers received in 1789 and 90, and he should have made every inquiry before he ventured to infi-

* *Rousse*'s Dissertation, Appendix, No. 8.

† Original minutes, p. 71. *Stockdale*, 1782.

‡ Dissertation, p. 134.

§ Inquiry into *Zemindary* tenures, Appendix, No. 3.

nuate “ that Mr. *Grant* would seem to invite this country to retract its *plighted faith* in their favour * ;” particularly as, in the page preceding, he had said with candor, “ I must do this gentleman (Mr. *Grant*) the credit to say, that his sentiments are here delivered without any tincture of party spirit or personal invective, except only against the *Mahomedan* and *Hindoo* officers, whose opinions have been “quoted by Mr. *Francis*.” Leaving therefore the controversy of these respectable and able gentlemen, I shall state the answers above mentioned, which I consider conclusive against the fashionable definition of *Zemindar* : yet I am very far from imputing blame to the different administrations in *Bengal* for consulting their native officers, under the impressions of caution. The opinions contained in the following papers, may be said to evidence the opinion of the *Carnatic* and of the *Decan*, of *Oude* and of *Bengal*.

* Dissertation, p. 22.

*Translation of Eight Questions proposed by
Colonel John Murray.*

Question I.

Who is the proprietor of the land or soil; the *Hakim* (that is, the Governor) or the *Zemindar* ?

Question II.

What is the origin of the jurisdiction, or authority of the *Zemindar* ?

Question III.

What are the actual rights of the *Zemindar* ?

Question IV.

What is the nature of the *Zemindar's* power and authority ?

Question V.

What is the origin of the jurisdiction, the rights and power of the *Jageerdars* ?

Question VI.

What is the actual jurisdiction and authority of the *Talookdars*?

Question VII.

In what manner used the *Zemindars* and *Talookdars* to discharge their several obligations of *Mal-guzari* and *Nal-bundi* to Government? and what was the nature of the services rendered by *Jageerdars*?

Question VIII.

What were the ancient limits and nature respectively of the jurisdiction, rights, and powers of *Zemindars*, *Talookdars*, and *Jageerdars*? how were the several claims of the state as *Nal-bun-li*, *Mal-guzari*, and *services* ascertained and regulated? and in what manner are these points at present settled?

N. B. The originals had been sent by Colonel *Murray* to Mr. *Dundas* before I was favoured with the translation.

*Translation of the Answers of his Highness
the Nabob Amul ul Omrah Heir Appa-
rent of the Carnatic to the aforesaid eight
Questions.*

Answer to the First Question,

The proprietor of the soil is the King ;
the King constitutes the *Hakim* (or Gover-
nor) his deputy ; the *Hakim* appoints the
Zemindar.

Answer to the Second Question.

The authority of the *Zemindar* is derived
from the *Hakim*, and subsists as long as the
latter pleases.

Answer to the Third Question.

The actual rights of the *Zemindar* con-
sist in this ; he brings waste lands into
cultivation ; and the *Hakim* grants him for
the same an exemption from taxes (that is,
he holds such lands tax free.)

Answer to the Fourth Question.

The power and authority of the *Zemin-dar* have been already defined, he being as a servant of the *Hakim*.

Answer to the Fifth Question.

The origin of the jurisdiction of *Jageer-dars* is this : when a servant of the crown rendered any eminent service, he (*usually*) had a *Jageer* conferred upon him, which *Jageer* was considered in the same light as the ground forming the area of his house, and equally with that esteemed his home or property so long, as he was not guilty of disobedience or rebellion.

The Answer to the 6th, 7th, and 8th Questions is compressed by his Highness into his answer to the 6th.

All these (that is, all these various descriptions of persons) are servants of the Crown : first, the *Hakim*, called also *Nawab*, or deputy ; next, the *Talookdars*, otherwise *Turafdars*, to whose authority the *Zemindars* and *Jageerdars* are subject, in the

same manner as the *Talookdars* are subject to the authority of the *Hakim*, and as the *Hakim* is subject to the authority of the King: *in fine*, whatever orders, either King or *Hakim* issues, are as obligatory on the *Zemindars*, *Jageerdars*, and *Talookdars*, as the holy law.

Translation of the Answer of Meer Abul Cossim, Ambassador from the Nizam, and Meer Bend Ali, a Native Judge in Bengal, to the aforesaid Eight Questions.

Answer to the First Question.

The proprietor of the soil is he who renders it flourishing, whether it be the *Reyut*, (that is, subject) by the permission of the *Hakim*, or the *Hakim* himself. In the former case the Sovereign is entitled to tribute from the soil, as the price of protection: hence it follows that the Sovereign

can be said to be entitled to tribute *only* when he effectually protects the subject from the oppressions and injustice of usurpers or lawless tyrants.

Answer to the Second Question.

The jurisdiction of the *Zemindar* is defined in the *Zemindary Sunnud*, or patent; and is just as extensive as is therein expressed.

Answer to the Third Question.

These are also defined in the *Sunnuds*.

Answer to the Fourth Question.

The powers of the *Zemindar* extend so far only as they are fixed by the *Hakim's* authority: these are also stated in the *Sunnud*.

Answer to the Fifth Question.

All the rights of the State or Crown, agreeably to the nature of the *Hakim's* (perhaps it should be the Sovereign's) bounty, are vested in the *Jageerdar*.

Answer to the Sixth Question.

These points are all settled in the *Sunnud* of every *Talook*, from the terms of which it is not usual to deviate.

Answer to the Seventh Question.

Sunnuds were introduced in order to remove all doubtful points : all the particulars of these several heads are set forth in the *Sunnuds*, and also appear on the records : it is with the same view that written instruments are taken from persons entering into engagements with Government.

Answer to the Eighth Question.

In order fully to explain the usages of former times, and of the present, it would be necessary to enter into a minute detail ; nor is it practicable, without consulting *Sunnuds* and *Muchelkebs*, (or engagements) to treat at all of such intricate and contradictory matters in a narrow compass.

N. B. The character of the *Nizam's* Minister is publicly known to be highly respectable for ability and intelligence.

The character of the *native Judge* in *Bengal* is authenticated by a translation of the Testimonial of Mr. *Petrie*, in *Persian*.

These are to certify, that *Meer Bundab Aly, Duroga*, of the *Calcutta Adawlut*, conducted the business both of the *Fouzdarry* and *Dewanee Adawluts*, during the whole time of my holding the office of Judge and Magistrate, (till succeeded by Mr. *Gladwin*) with propriety and great ability; and that I was well satisfied with his conduct, which, as far as I know, gave general satisfaction.

(Signed)

JOHN PETRIE.

October 29, 1785.

Calcutta, Jan. 18, 1786.

Meer Bundab Aly having requested that I would peruse the above-written Testimo-

nial, and certify what I know of his character and conduct, I think myself bound in justice to say, that, in my opinion, he fully merits all the praise which Mr. *Petrie* has given him. While *Chinsura* was under *British* Government, and I presided in the Court of Justice there, the late Mr. *Thomas Dugald Campbell* acted under me as *Zemindar* of *Chinsura*, and *Meer Bundab Aly* was his *Daroga*, in that capacity, as well as in the *Calcutta Dewannee Adaulut*; I had in that situation constant opportunity of hearing what the natives said of him, and of seeing the ability and temper with which he conducted business, and from what I have seen and heard of him, I think him a very fit man to be employed in the administration of justice.

(Signed)

ROBERT CHAMBERS.

Translation of the Answer of Mahomed Abdul Speckoor Khan, Governor of Allahabad in Owde, to the aforesaid eight Questions.

Answer to the First Question.

Formerly the *Rajahs* and *Zemindars* throughout the country were the proprietors of the lands, but since the reign of *Timur Shah* (*Tamerlane* is meant) the King has been the proprietor of the soil, and enjoyed the power of dispossessing the *Zemindars* at his pleasure.

Answer to the Second Question.

The object of the jurisdiction of the *Zemindary office* is to promote industry among the *Reyuts*.

Answer to the Third Question.

The *Zemindars*, who excite industry among their *Reyuts*, are entitled, in con-

fideration thereof, for every *Bega* (*duely cultivated*) to two *Biswahs*: or, as in some *Soubahs*, to a premium of five per cent.; and this reward is called *Nunkar*. They also are indulged by the *Aumils* with inconsiderable farms.

Answer to the Fourth Question.

The authority of the *Zemindar* extends to the realizing of the dues of Government.

Answer to the Fifth Question.

A *Jageer* is granted as a sort of increase upon the salary of a servant.

Answer to the Sixth Question.

Talookdars enjoy no sort of rights; (that is, exclusive of particular rights) being of the class of farmers of the revenue.

Answer to the Seventh Question.

The *Zemindars* and *Talookdars* used to account to Government for the (*settled*) taxes, leviable or due on the lands in cultivation; and the *Jageerdars*, in return for

the bounty they enjoyed in their *Jageers*, used to perform the duties of service.

Answer to the Eighth Question.

The rights of the *Zemindars*, in consideration of their promoting the cultivation of the soil, were ascertained (*in the manner before stated* :) but indigent and powerless *Zemindars* realize but a small portion of their just claims ; while such as are refractory pay themselves the amount of their *Nankar* out of their respective *Jummas*, and even keep back annually some part of the collections (in the form of balances.) The *Jageers* conferred upon *Jageerdars* were in consideration of the duties of service to be performed by them ; at present the business assumes various forms : and as to the *Jageerdars*, all their *Jageers* have been resumed.

CHAP. VIII.

WE are now arrived at the important period of the government of the Marquis Cornwallis, with Sir John Shore at the head of the revenue department: the first revenue measure appeared in the *Codes* for the general regulation of *Collectors* in the revenue department, and regulation in the administration of justice in the courts of *Dewanee Adaulut*, and in the *Fougedarry*, or criminal courts, published in 1787. Mr. Grant, in the office of *Serishtadar*, having begun to execute the revenue plan which Sir John Macpherson had approved, on the information contained in the Analysis of the Revenues of *Bengal*, and compiled by him in conformity to the act of 1784, then considered as the Parliamentary Charter of Rights to the natives of *British India**, it became necessary for Sir John Shore to introduce his

* Introduction to the Analysis of Revenues of *Bengal*, MS.

plans on the investigation required by the act, before he superseded Mr. *Grant's* opinions, to which the new code of 1787 were not applied. The first question at issue was no less important than whether *Zemindars* were the legal real proprietors of the soil as landlords, or whether they were officers of the *Mogbul*, collectors of the revenues in behalf of the sovereign proprietor of the soil? but it appears that the Board meant to justify, by the answers to certain queries, a *prejudged* opinion of the question itself.

The instruction of the Board to Mr. *Grant*, March, 1787, was, “to prepare and lay before the Board a series of queries for the purpose of ascertaining, as correctly as the nature of the subject will admit, what are the real jurisdictions, rights, and privileges of *Zemindars*, *Talookdars*, and *Jageerdars*, under the constitution and customs of the *Mahomedan* or *Hindoo* government, and what were the tributes, rents, and services, which they were bound to render and perform to the *Sovereign power*; and in like manner those

from the *Talookdars* to their immediate *Liege Lord* the *Zemindar*; and by what rule or standard they were, or ought, severally to be regulated." The observation of Mr. *Grant* on the mode the Board called on him to propound questions relative to the public revenue to interested individuals, and not to answer the queries officially connected with his department, appears in an appendix to the treatise he published in *London**. The questions which, as *Se-rishtadar*, he had answered, are the same to which the answers of different natives are detailed in the preceding pages. I refer to Mr. *Grant*'s answer as of the *first* authority; and it will at all times be sound policy, by minute investigation of intelligent covenanted servants, to supersede the necessity of a public parade of ignorance; for, exclusive of the inconvenience which now exists from the erroneous decision of this question in 1789, it may occasion serious political inconvenience, by encouraging every dependant on the *British*

* Inquiry into *Zemindary Tenures*, Append. No. 3. p. 56. *Debrett*, 1790.

power, to institute claims, on our ignorance, incompatible with the rights and existence of the power of *Great Britain* in *British India*. The public, in the above-mentioned treatise* of Mr. Grant, the late *Serishtadar*, may examine the arguments which Sir *John Shore* rejected; and by perusing the treatise published by Mr. Law†, late a Member of the Council of Revenue in *Fort William*, may examine the arguments on which Sir *John Shore* adopted, in 1788, the *Mocurrerry* plan, ordered by Lord *Cornwallis* in 1789. It is sufficient for me to refer to these documents to justify my opinion of the investigation of 1788 and 1789, and it will not be disputed that the revenue and criminal regulations were published in *Bengal* in 1787, and that the definition of the persons to whom they applied was not decided in 1788, nor publicly determined before the date of the following order.

* Inquiry into *Zemindary Tenures*. *Debrett*, 1790.

† Sketch of the late arrangements in *Bengal*. *Stockdale*, 1792.

To John Shore, Esq. President, and Member of the Board of Revenue.

Rev^d Dep^t

FORT WILLIAM, May 20th, 1789.

GENTLEMEN,

WITH a view to carry into execution the orders of the Court of Directors for a settlement of the *Babar* province, we have thought it expedient to take the subject into our consideration at this early period, that at the expiration of the *Fusillee* year, in September next, the measure may be wholly accomplished, or, as far as practicable carried into execution.

Our instructions to the Collectors of *Babar*, regarding the settlement of last year, were preparatory to the measure, and had a reference to it; we have accordingly passed the following resolution, with a view to the final attainment of the intended object.

1st, That at the expiration of the present *Fuzilee* year a new settlement of *Babar* be concluded with the *Zemindars*, the *actual proprietors of the soil*, whether at present independent or dependent upon any other *Zemindars* paying their rents immediately to Government.

2nd, That the settlement be made for a period of *ten* years certain, with a notification that, if approved by the Court of Directors, it will become *permanent* and no farther alteration take place at the end of ten years.

3rd, That the *Jumma* which each *Zemindar* is to pay, be fixed by the Collector, with the reserve of the approbation of the Board of Revenue, on fair and equitable principles, according to the best accounts which he can procure of the value of the lands, *without a measurement* of them; that if he should deem it eligible, he may call upon the *Zemindars* to deliver in proposals for renting their lands, but that his *judgement* is to determine the amount.

4th, That the *Gunges* be not included in any settlement with any *Zemindar*, but that, for the present, they remain under the exclusive jurisdiction of an officer appointed by the Collector, who is to propose such regulations as he may think best calculated for regulating and fixing the duties.

5th, That the *Jumma* of each *Zemindar*, being assessed, the amount thereof shall be apportioned by the different villages in it, if possible, previous to the conclusion of the *Sudder Jumma*, either by the *Zemindar*, who is to be required to make this distribution, or *Collector*; or subsequent thereto, under a clause binding each *Zemindar* to deliver in an account of the assessment on the villages apportioned to the *Sudder Jumma* within three months from the signature of the *Cabooliat*.

6th, That if there are villages of which there are *no proprietors*, the settlement of them be made as above with a farmer.

7th, That the *Sudder Kistbundy* be so regulated as to afford the *Zemindars* all pos-

fible convenience on the discharge of their rents, with a due regard to the security of Government, and that the Collector report whether any, and what, inconvenience would ensue from extending the period of the *Sudder* and *Mofussil Kistbundy* to two months instead of one.

8th, That the Collector do also establish the *Mofussil Kistbundy* in such a form as may be most convenient for the *Reyuts*, without risking the security of their payment to Government.

9th, That as the number of renters paying revenue immediately to Government may, in consequence of framing a settlement with the *Zemindars*, be greatly increased, the Collectors report if it will be necessary and adviseable to appoint *Tehsildars* to receive the revenues from a certain number of the landholders, and whether any, and what, additional expence will be required on this account.

10th, That every *Zemindar*, or *Talookdar*, who is a minor or female, be declared

incapable of having any concern whatever in the management of the revenues, and that no engagements for the payment thereof be contracted with any *Zemindar* under this description.

The management of the revenues of *Zemindars* who are minors or females, shall be assigned to a person especially appointed by Government for this trust, to be denominated *Ser buzacar*, or Manager, who, previous to the receipt of his commission, is to execute an obligation binding himself to a faithful discharge of the duties assigned to him, and no farther.

The Manager is to be chosen by the Collector, subject to the approbation of the Board of Revenue, and his commission is to be signed by the Collector, and to be authenticated by the official seal. In recommending the person to this trust, the following considerations are to be observed :

In the first instance, a near relation of the *Zemindar* is to be preferred to all others ; in the second, a creditable servant of the

family; and in the last resort, a person unconnected with it: capacity for the business is understood to be a necessary qualification, and to be particularly attended to in determining the preference.

Lunacy, contumacy, or notorious profligacy of character, are to be deemed disqualifications of a *Zemindar*, and the settlement, in such cases, is to be regulated by the provisions above laid down with regard to the lands of minors and females; but no *Zemindar* is to be excluded for any of the disqualifications mentioned in this article without the previous approbation of the Governor General in Council.

11th, That the engagements with the *Zemindars* and *Farmers* be made for *Sicca* rupees, and in order to obviate any inconvenience which may arise from there not being a sufficient number of *Sicca* rupees in circulation for the payment of the revenues, that the farmers and *Zemindars* be allowed, till the expiration of the *Fufillee* year, 1197, the option of paying their rents in *Siccas*, or in *Sonauts* at the *Batta*

at which the latter are reduced into *Siccas* in the treasury account of the Collector. That the Collectors do either remit such *Sonant* to the Presidency, or in the event of their being obliged to pay them away to answer bills drawn on them in *Siccas*, they insert in their treasury accounts the profits or loss, or on the disposal of them, under the head of profit and loss on exchange. That after the expiration of the year 1197 no other rupees except *Siccas* be received at the treasuries of the Collectors, it being the intention of Government to put a stop to the currency of every other species of rupees by that period.

We direct that the above resolutions be transmitted to the Collectors of *Babar*, and that they be directed to prepare for the formation of a settlement accordingly, to the prescriptions of them, advising you by the end of June, if any objections should occur to any of them, either as to the propriety or practicability of them, to submit, with such objections, any other propositions which they may deem more eligible.

This ten years settlement, and new definition of persons, deliberately resolved on, were published, *Zemindars* were invited to subscribe to it, but scarce had they reached the more distant stations than they were followed by orders cancelling parts of the agreement; for Government found, by the experience of three months, strong objections which ought to have been foreseen by a cursory view of the proceedings of the revenue departments referred to in the above order, and particularly by the correspondence of Sir *John Shore* and Mr. *Law* *. The first operation of the article† affecting *Absentees* appeared in the accounts *Havillee Bahar*, in those districts of *Bahar* in which the *Mocurrerry* settlement had then taken place: the newly defined proprietors were dispossessed *solely* on account of their absence; of 70 villages, consisting of 22,452 *Begas*, assessed at 18,535 rupees; and 40 villages of 10,760 *Begas*, assessed at 10,569 rupees, were *refused* by the *proprietors* on the conditions offered by

* Sketch of late Arrangements. *Stockdale*, 1792.

† *Ibid.* p. 117.

the Collector ; and 4 villages, consisting of 2,679 *Begas*, assessed at 773 rupees, were taken from proprietors without any cause assigned ; and in other parts of the return the detail was by no means sufficiently explained. Sir *John Shore* could not withstand public opinion, supported by such official evidence, and he confessed that the *Mocurrerry* plan, professing to establish *hereditary estates* with *fixed rents**, in practice, established an *Ideal* permanency ; that the rules which he had deemed adequate to secure *Zemindars* in their rights, and the *Reyuts* from oppression, though numerous, had proved indefinite and arbitrary ; that the undefined relation of *Zemindars* with *Talookdars* and *Reyuts*, which he conceived would have been settled by defining the relation of *Zemindar* to the *sovereign*, and by leaving the *Zemindar* to settle with the dependants on his landed property, had brought forward cases which the Revenue Board were unable to understand or define ;

* Sketch of late Arrangements ; Mr. *Law's* Letter to *John Shore*, Esq. President, and Members of the Board of Revenue, p. 48.

and in *common* cases the want of *data* precluded decision on principles of *justice* and *policy*; and that uncertain decision led invariably either to diminution of revenue, or to confirmation of oppressive exaction; that he was therefore convinced, if the *Zemindars* were left to make their arrangements with the *Reyuts*, which was the *fundamental principle* of the *Mocurrerry* plan, the confusion could never be adjusted. In this dilemma, Sir *John Shore* recommended that the ten years settlement, promulgated to the country as permanent, should be considered by Government as a period of experiment; if it should be found impracticable to collect *the tribute* under the acknowledged inequality of assessment, a due distribution of it might prevent the diminution of revenue; that the *new principle* would be better introduced by degrees than established beyond the power of revocation, but that during the ten years the *assessment* at *all events* should be *unalterable*; that he was not sorry Mr. *Larw's* plan had been executed, as the experiment would lead to farther experience, which may assist in determining the general ques-

tion; but he was convinced that many consequences of the plan appeared in a different light in practice than they appeared to him when under discussion; and on the whole, that the fundamental principle of the plan, if confirmed, *must* be corrected by *annulling* the parts which have a direct tendency to subvert it, and Government must submit to rescind what it has approved*. I trace Sir *John Shore*'s exploded opinions, supported in *England* by documents, for which Mr. *Rousse* acknowledges his obligation to Sir *John Shore* in his answer to Mr. *Grant*'s Inquiry into *Zemindary* Tenures†. It is no part of my investigation to ascertain in what degree Lord *Cornwallis* was embarrassed when Sir *John Shore* left him to amend his acknowledged errors; I make no doubt, all the circumstances were considered; otherwise he would not have been recommended to the honourable marks of Royal favour, and sent back to *India* as successor to the

* Substance of Sir *John Shore*'s Minute, 8th Dec. 1789.

† Mr. *Rousse*'s Dissertation, 1790.

Marquis *Cornwallis*; but while the public opinion in *England* was reconciled to the definition of the *Zemindar* actual proprietor and liege lord, by the learned dissertation of the Secretary of the Board of Control, the opinion of that measure in *India* may be collected from the Dedication of *Agricola's* Letters to *Thomas Graham*, Esq. President of the Board of Revenue *, in the following extract:

“ When I first committed my sentiments to the public on the finance of this country, I little expected the important decision regarding the *Zemindars'* proprietary rights in the soil would be so soon passed, or I should have forborne treating of the subject, or endeavoured to do it on a plan consonant to such decision. I shall avoid giving my opinion at present on the propriety or necessity of such an acknowledgment on our part, nor is it any longer necessary to investigate their claims to it,

* General Observations of the Mode of Assessing and levying the Land Tax, by *Agricola*. *Calcutta*, 1791.

but permit me to observe, that the nature of their *present* tenures has wholly changed their relation to the Company, and that this change involves a question of the highest importance to their interests. Before I hazard any decisive opinion on the above, permit me to ask, whether our system of finance is not wholly founded on the contrary idea, viz. “ that the *Zemindars* are not the proprietors of the soil ; at least I can view it in no other light : I have endeavoured to expose the severity and impolicy of our conduct, even under that construction of their privileges, but I, even now, question whether the terms injustice and violence are not more applicable and expressive of it.

“ Mr. *Law*, in his *Mocurrerry* plan, has tacitly denied the *Zemindars*’ proprietary rights in the soil, and I am induced to attribute the many inconsistencies which he has fallen into, to the difficulty of acknowledging such rights without adopting an entire new system ; for it will clearly appear, if their rights be admitted, that all our regulations are diametrically in op-

position to their exercise thereof. If the *Zemindars* are the proprietors of the soil, may I ask Mr. *Law* on what authority or title he claims about one sixth of the country as Crown land before we even invested them with this nominal right? we never considered the cultivated and uncultivated lands as the property of different persons, and under the *Moghul* government the *Zemindars* were assessed for both alike; a plan which strikes me to have equity and good policy for its principle, and which I have adopted. Notwithstanding Mr. *Law* has made this curious reservation, he yet talks of the advantage the *Zemindars* are to derive from the increased cultivation of their estates, which leaves a doubt of his meaning when he speaks of Crown lands.

“ I cannot but regret that the *Zemindars* are declared the proprietors of the soil, as it must prove an almost insurmountable obstacle to secure the *Rayuts* from oppression, without a continued infringement of their privileges, of which, no doubt, they will become highly *jealous*, whenever they come to understand more fully the mean-

ing of property, and the incontestible rights annexed thereto, and secured by *British* laws. For my part, I think they would be justified in appealing, on almost every existing regulation, to the Courts at home, and doubt not but they would cause them to be done away, and recover heavy damages of the Company.

“ I am fully persuaded we had the same authority for considering many classes of *Reyuts* proprietors of the soil, and the benefits to be looked for from such a measure far exceed those we can derive from that of declaring the *Zemindars* and a few *Talookdars* the *only* proprietors; nor would such a declaration have involved us in so many inconsistencies in making a settlement for the revenues: but had we not taken such an unproductive step, we should have been at liberty to divide the country into moderate portions, and to select the most competent and deserving persons for farmers, to the improvement of the revenues and security of the *Reyuts*; we could have raised a numerous class of reputable yeomanry, instead of aggrandizing a *few*, at

the expence of *hundreds of thousands*; we have now blasted the prospect of exciting emulation and industry; we should then have had real Crown lands to look to for a future increase of revenue. It is a ridiculous idea, to talk in the same breath of assessing a country at a permanent amount, and yet subject the people to unknown exactions, under the plea of political necessity. A little attention to the fluctuation of the value of money, in the course of a few years, will shew the fallacy of a fixed and permanent rate of assessment on land in this country, where every other resource is so cramped and limited, or, I may say, where there is no other. An insuperable objection to Mr. *Law's* plan is, that it subjects the interests of thousands to the caprice of one, and is, in fact, inconsistent with the object aimed at."

Having found the difficulty of comprehending the outlines of general policy in the plans for *India*, I at least had given credit to their local information; but it is impossible to explain the acknowledged errors of the settlement of 1789, without

supposing the Revenue Board ignorant of the *Mofuffil* management, and that they had proceeded on mere reference to a bundle of *Sudder Tauhoods* without recollecting that the *Talookdars* were, nine out of ten, oppressed by the *Zemindars* *. The corrective measures adopted by Lord Cornwallis appear to be founded on Sir John Shore's Minute, and Mr. Law's zeal, combined with information published by *Agricola*. The first innovation of the settlement of *Bahar*, 1789, was introduced with the settlement of *Bengal*, ordered *not* to be made with *Muscoory Talookdars* paying through *Zemindars*, but with *Zemindars*: the distinction *Muscoory Talookdar* was found to be *causeless*, and at length exploded †, and they were declared *actual proprietors of the soil* composing their *Talooks*; and to produce unity of system, this discovery was extended to the settlement of *Bahar*.

The regulations relative to *Sair* or internal duties, were passed by the Governor

* *Agricola*, Letter 22.

† Sketch of late Arrangements, p. 48 and p. 242.

in council in June, 1790 *; they resumed *Gunges*, *Bazars*, and *Hauts*, which had been included in all former settlements, and *compensation* was ordered, amounting to one tenth of the net receipts, to the *Zemindars* and holders of *Malgoozary* lands, who had been permitted to collect those duties as part of their settlement; and *officers* were appointed by Government to collect the duties in the *Gunges*, *Bazars*, and *Hauts*, in the *Malgoozary* and rent-free lands†. The *Sair* duties, including *Aboabs*, were abolished, with the exception in behalf of Government of *Calcutta* and government customs; the duties levied on pilgrims, at *Gya* and other places of pilgrimage; the *Akberry*, or tax on spirituous liquors; and the collections made in the *Gunges*, *Bazars*, and *Hauts*, situated in the limits of *Calcutta*, and with the exception in behalf of the *actual proprietors*, according to the published resolutions of 11th June, 1790, of *Aboabs*, denominated in the *Sair* account *Phulker*, *Bunker*, and *ful-*

* Sketch of late Arrangements, p. 245.

† *Ibid*, p. 257.

ker ; tax on houses, shops, orchards, pasture ground, and fisheries, denominated by the said order as of the *nature* of *rents* and proper objects of *unauthorised* taxation * ; but it appears that the extent of these resumptions was not understood ; some were assumed and relinquished half a dozen times in the first year, to render them compatible with the rule of Government's limited infraction of its solemn declaration in the preceding year † ; these difficulties not only delayed the settlement many months, but caused a general diffidence in the country, and convinced the *Zemindars* that the proposed *Bundebust* could not be permanent. Government was equally embarrassed, for having deviated from the principle of the settlement of 1789, it became necessary to change the regulations of 1787, to render them applicable to the purposes of revenue and criminal judicature in the *Bengal* provinces ; the amended code was published in November, 1791, and farther amendments were still wanting, which will

* Sketch of late Arrangements, p. 258.

† *Agricola*, Letter 22, p. 137.

oblige me to explain the progress of *British* judicature in *Bengal*.

CHAP. IX.

The Progress of Courts of Judicature in British India.

IT will be remembered a Mayor's Court at *Calcutta*, such as it now exists at *Madras* and *Bombay*, by royal charter, had been found adequate to the purposes of justice and police previous to 1757, the period at which the Company was obliged to apply to the King for powers to resent injustice, and to recover from the usurpers of the *Mogul's* power the privileges which had been granted to the Company by the *Mogul*. The King of *Great Britain* granted to the Company in 1757 his right to the plunder and booty of warfare; and the successes of the Company not only repaid their losses, but rendered them the most

powerful among the usurpers; and the *Mogul* finding it impossible to reinstate himself in the *Bengal* provinces without the aid of the *English*, threw himself under their protection; they pleaded their faith to usurpers whom they had supported, and the *Mogul* was under the necessity of signing the partition of his empire in the manner which Lord *Clive* dictated, judiciously and politically stated according to the circumstances of the *English* at that period, with a view of establishing the empire of *British India*; but foolishly and unjustly, if *Delhi* and *Allahabad* is permitted to become an hostile instead of a friendly barrier; and if *Oude*, instead of a powerful dependant, becomes an oppressed or an independant power. The northern defence being secured by Lord *Clive*'s partition, and the north-west barrier of *Bengal* being in the hands of independant *Rajahs*, who had preferred their fastnesses with limited districts to submission to *Mahomedan* or *Mahratta* government, required no change; the *Circars* were at that time important, from being the quarter in which the *French* could practise the lesson which the *English*

had so aptly learnt. They were not responsible to the prejudices and constitutional jealousy of a free government, but they were bent on attaining power in *India*, and it suited the *British* policy to grovel with the Company's agency, under native grants or as allies, to rout the *French* in the *Circars* as allies to the *Nizam*, rather than to resist and defeat the policy of *France*, by a general war. The grant of the *Circars* by the *Mogul* was made a paramount legal title to its sovereignty, and was established also by the *British* army; but the *Mogul's* grant of the *Bengal* provinces was framed to be compatible with the Company's *European* and *Indian* interest, and apparently with their engagements to the *Nabob* whom they had made. The Company became *Dewans*, or receivers of the Sovereign's revenues, not accountable to the *Mogul*, to cover by that nominal office whatever revenue they could not state as *plunder* and *booty* in their account with the King of *Great Britain*, and having got the purse, they were not inclined to let others participate of the fiction; they settled a pension on their *Nabob*, and ap-

pointed an intelligent native to execute the functions of *Nazim*; from which period the sovereignty has been exclusively in the *English*. The Company might have cheated the state if their servants could have been permitted to adopt similar definitions; they had seen the profit of monopoly and inland trade, which they knew to be distinct from territorial revenue, or the Company's commerce, and thought it reasonable that they should enjoy them as perquisites under the veil of the native government; the chief servants, civil and military, therefore entered openly and largely in mercantile concerns, with the powers of government to enforce privilege of monopoly. The Company was unable to control their principal servants; their principal servants were unable to control those who were not their partners; and the Company could not proceed without applying to Parliament: this necessity may be adduced as a political lesson, and in confirmation of the excellence of the *British* constitution, which possesses in itself the principles of renovation and self-correction, whenever the temper of the times or the

necessity of particular cases force its subjects to appeal to constitutional principles.

At the period the above-mentioned minute* was entered on their proceedings, Lord *Clive* and the Select Council told the Directors † they were become “ the Sovereigns of a rich and potent kingdom ; ” “ not only the collectors, but the proprietors, of the *Nabob's* dominions.” Governor *Holwell* made them remember that the plunder of the provinces during the decay of the *Mogul* government had been divided between the *Soubab* and the *Dewan*, and that the *Soubab* had the lion's share. The Company appeared to approve the idea of retaining the whole legal and illegal profits, by taking the *Mogul's* share as *Dewan* under his grant, and also the *Soubab's* exactions, and the *Dewan's* peculations, together with the *whole* yearly produce of the country. Governor *Holwell's* valuation above stated ‡ has been reckoned much

* Page 308, 28th October, 1765.

† Letter from *Fort William*, 30th September, 1765.

‡ Page 316.

exaggerated, but if considered as the whole yearly produce, will not appear either high or very inaccurate.

The Company thus obliged to apply to Parliament, and convinced that the temporary expediency of the veil of native administration could not be rendered permanent or effectual, determined, in 1771, to stand forth as *Dewans*, and to realise a subsidy equal to the whole resources of the country, as before stated*. The act of 1773 went much farther than the Company wished; and the application of its powers not only gave rise to differences between the judges and the government in *India*, but between the Governor General and his Council, during which period every circumstance tended to delay the establishment of good order and of effective control. When the Company appointed *supervisors* in *Bengal*, the revenue and administration of justice was vested in them; a Council of Control at *Moorshedabad* and one at *Dacca* were ap-

pointed to control the collectors, and these were subordinate to the Supreme Council of the Presidency. On the passing the act of 1773, the *Khalsa*, or head revenue court, was moved from *Moorsbedabad* to *Calcutta*, and the two provincial councils of control were abolished, and the whole control vested in the Council of *Calcutta*. If the parliamentary promise, which I have called the *Charter of British India**, is not dead letter, the case of *Nundcomar* need not be presented to excite contrition; eloquence and ability have not been wanting to represent it to the feelings of *Great Britain*, but I much question whether *British* judicature would not have been left to its course, if fortunately it had not also impeded the current business of the revenue, as the letters of Mr. *Hastings*† and those of Mr. *Francis* above stated testify‡. It is proposed to shew in what manner the supreme government got rid of the supreme judicature, and induced Par-

* Page 135.

† Letter from the Governor General to the Directors, January 1776.

‡ Page 346.

liament to consent to emancipate the revenue and the natives of *India* from *British* law.

In 1774 the collectors were recalled, and the districts divided, and provincial councils established at *Moorshedabad*, *Dighnapore*, *Dacca*, *Burdwan*, *Patna*, and *Calcutta*, and the administration of justice in a Member of Council by rotation. The new system of management, of a single superintending Committee stationed at the Presidency, with the additional charge of seven lacks, connected with the establishments of *Dewanny Adaulet* amounting to six lacks more, evidently intended to establish a Court of Exchequer according to the *Mogul* system, totally distinct from other tribunals of the empire, and to extend the forms of its civil jurisdiction over all natives paying *rent* or *duties*; it was obvious to those who understood *India* that nine tenths of the people came under this description, classed either as farming landholders or manufacturing *Reyuts*; by supporting this distinction the warrants and writs of the Supreme Court became use-

less, and two or three cases were sufficient to shew that *British* law administered to the natives, without attention to their customs and opinions, would prove intollerable. I have already observed* in what degree, by the act of 1781, Parliament reduced the jurisdiction of the Supreme Court of Judicature, on the general opinion of *British* statute law being inapplicable to the manners of the East; it only remains to state the modifications of the native courts, professedly to connect the administration of justice of the country with the realization of the revenues.

It was proposed in 1770 to vest the revenue causes exclusively in the Provincial Council, and thereby distinguish the jurisdiction of revenue causes from the jurisdiction of the Civil Court of *Dewanee Adalet* and *Fougedarry* or Criminal Court, both newly modelled; but the acknowledged oppression of the *Reyuts* or *Pottabolders* was so great, that Mr. *Hastings* appears to have thought it impossible for the

* Page 346.

provincial council to do them justice and manage the collections, and therefore to have given the cognizance of exactions not warranted by *Pottahs* or leases to the court *Adaulet Dewannee Zillagaut* *. In 1780 the administration of justice was separated from the control of the revenues; but in some districts, as at *Chittrab*, *Boglepore*, *Islamabad*, and *Rungpore*, the collectors for the time being were made the judges in the courts *Mofussil Dewannee Adaulet* in 1781, the period of the increase of the courts of *Adaulet* and of the establishment, which continued during Mr. *Hastings*' administration; it would therefore appear that the justice of the country was sufficiently dependant on the revenue, but it did not prove so: the criminal jurisdiction had been at all times distinct from the civil, and a collector, also judge, both of civil and revenue causes, might be embarrassed by the *chicanery* of the *Fougedarry* or *Nizam*'s courts, if a native chanced to incur the penalties or wilfully claimed the jurisdiction of the criminal court to avoid op-

* Plans for *British India*, p. 114.

pression or complicated civil process. It was by no means impossible that one manufacturer, being also cultivator of land, as they mostly are, might have a *Peon* in pursuit of him at the suit of the receiver for rent; another on a civil suit in the *Dewanee Adaulet*, of which the collector was judge; another at the suit of the commercial agent, for the produce of his labor as manufacturer, to which private *British* and foreign companies, and individuals also, often instituted concurrent claim, on account of their advances of cash to the manufacturer, which they followed up by arrest, on their own authority, though generally under the claim of privileges, exercised under the *Phirmaund* of the *Mogul*. It is clear that half-finished clothes cut from the loom cannot satisfy the just claims of the trader, and that it matters not whether an exchequer, or a civil or a criminal messenger, arrests, such delinquent must be ruined, and the administration of justice is endangered either by its subserviency to revenue, or by oppressive and indefinite concurrent jurisdictions, incompatible with *European* or *Mahomedan* policy.

When Parliament had curtailed the pretensions of the Supreme Court of Judicature in 1781, these embarrassments in the native courts were considered; the *Fougedarry* and *Tannadary* establishments were abolished; and *civil* judges, being Company's covenanted servants, were appointed to act as magistrates, to apprehend persons charged with the commission of wrong, or crimes, or acts of violence, but were required to make reports unto a department of the Presidency under the control of the Governor General *; and in this state the courts remained till 1787, when, according to Sir *John Shore's* system, the collectors were made judges of *Dewannee Adawlet*, and magistrates with *Fougedarry* jurisdiction, judges of petty criminal causes, to inflict corporal punishment, or to impose fines on the offenders †; and his power extended to the commitment of *Zemindars* or landholders for breach of the peace, or *connivance at the same* ‡. This gave the full

* Plans for *British India*, p. 395.

† *Ibid.* 396.

‡ Art. 13 Regulation of *Fougedarry* or Criminal Courts. *Calcutta*, 1787.

measure of power to the collector of revenue, making him party and judge in revenue causes, and uniting in his person all the civil, and great part of the criminal, justice of his district; but the jurisdiction of the *Nazim* was still ostensible, for the magistrate arrested, and must send to jail, but he had not permission to release him if the examination convinced him of the prisoner's innocence*. By the regulations of 1787 the collector was to become a check on the *Fougedar*, or *Nazim*, and the collector's representations against his neglect were to be transmitted to the Governor General, who was to represent thereon to the *Nazim*†: the reports of the *Fougedarry* collectors soon convinced the Marquis Cornwallis of the necessity of more prompt and impartial justice, and he proposed the measure of removing the *Nizamut Adawlet*, or chief criminal court, from *Moorshedabad* to *Calcutta*, and to institute *courts of circuit*, three for *Bengal* and one for *Babar*; each

* Sketch of late Arrangements, p. xxi. Mr. Law's note.

† Tenth Regulation of *Fougedarry* or Criminal Court, 1787.

court superintended by two covenanted servants, assisted by a *Cauzee* and *Mufti* : and by the present act, the Supreme Court of Judicature is to issue commissions of the peace, and justices so appointed may sit also in the courts of *Oyer* and *Terminer**, and the justices may associate with the judges in causes appealed; consequently, if the collector shall be justice of the peace in addition to his other powers, as *justice* he will sit in the court of *Oyer* and *Terminer* to execute the law of *England*; and if he remembers the 21st of Geo. III. cap. 70, sec. 7, he will be able to elude the possibility of an appeal laying either in *British* or native courts; for it is there enacted, “ that the said supreme court shall not have, or exercise, any jurisdiction in any matter concerning the revenue, or concerning any act or acts ordered or done in the collection thereof, according to the usage of the country or the regulations of the Governor General and Council.”

I refer to the latest information, which

* *Plans for British India*, p. 132.

has been published by the permission of the Board of Control this year*, in which Mr. *Bruce* has stated the regulations of 1787, and the amended code of 1791; I was rather surprised to see the code of 1787 so soon amended, and notwithstanding I remembered Governor *Holwell's* opinion, that a collector had sufficient business if he attended to his duty of collector †, I did not conceive it possible for any system to have occasioned such complicated business, as appears by the *returns from the districts* to the Revenue Board at *Calcutta* in December 1791; at which period the undecided causes amounted to *seventy-seven thousand*, exclusive of *Mhal* causes, and disputes between *Reyut* and *Reyut*, and between *Zemindar*, or *Renter*, and *Reyut*; and also exclusive of causes in the *Fougedarry* departments, all which were then under the collector, together with his collection. It is expected the powers of the *Naib Nazim*, as head of the *Nizamut*

* Plans for *British India*, part 2, sec. 2. *Debrett*, 1793.

† Page 318.

Adaulet, being vested in the Governor General and Supreme Council, assisted by the *Cauzee ul Cozaat*, or head *Mabomedan* judge, and two *Musties*, will be able to revise all the proceedings of criminal cases tried before the Courts of Circuit previous to the execution of judgement: and that a farther amended code, in 1793, will amend the two former codes published since Lord *Cornwallis's* arrival at *Calcutta*; the Collector must then again define his Exchequer authority, and the civil and criminal jurisdictions will be again separated; the regulations may define the several jurisdictions with accuracy; they did so before they were universally united in the collector in 1787; but the cases were so blended in practice, that it was, and will continue to be, impossible to class them, and determine to which tribunal they belong. It is not supposed that the Supreme Board of Judicature can be again thought of as a substitute for those defects of revenue judicature; that court remains under the present act as it stood since the act of 1781, with the addition of being now made a court of

admiralty, and will issue commissions of the peace ordered by the Governor General; with some encouragement, the old contest for jurisdiction might be revived, and an act of indemnity would again be necessary; but the consequence which Lord *Clive* predicted * is not likely to arise, if the Court of Directors, who are deemed by Parliament competent to select governors, shall acquiesce in the pretensions of that court to refuse a barrister the benefit of their licence without a reason assigned; so long as the Supreme Court of Judicature exists, reference to the Chief Justice of the King's Bench should sanction the licence of Directors, without which no one should practise *English law* in *India*; the judges in *Bengal* should be responsible for the purity of the practice in their Court: but “*Sciant Judices se jus dicere, non dare, Lèges interpretari, non condere* †.” We are at present in no danger from *British* or from *Hindoo* law, but we are likely to become adepts in the *Mahomedan* law.

* Page 309.

† Bacon.

When we refer to the *Koran* as the universal code, we cannot be supposed to look for a definite rule; a celebrated writer* informs us, the substance of the *Koran*, uncreated and eternal, brought from heaven by the angel *Gabriel*, was revealed in scraps by *Mahomed* according as it suited his policy or passion; they were collected two years after his death and published; and the sacred volume, in all its various editions, boasts the miraculous privilege of an uniform and uncorruptible text. At the end of 200 years the *Sonna*, or oral law, preserved by his wives and companions, was fixed and consecrated by the labours of *Al Bochari*, who discriminated 7275 genuine traditions from a mass of 300,000 reports of more doubtful or spurious character; the work has been approved by the four orthodox sects of *Sonnites*. It appears that we have selected the commentary of *Mohammed* and *Yuzef*; we are told† that for thirty years we had wavered.

* *Gibbon's Decline of the Roman Empire*, Vol. V. Cap. 50.

† *Plans for British India*, p. 493.

between their doctrine which made the intention; the criterion of guilt; and *Aboo Huneef*, who made the manner or instruments with which murder was committed; the rule of determining the punishment, and that the question had been lately determined by turning *Aboo* out of court. On later information of Sir *William Jones*, we are referred to *Al Serajiyah*; as before stated*; who declares his dissent to certain doctrines, as incompatible with justice and with the doctrines of *Omar* and of *Ali*. I am very well convinced that no honest follower of *Omar*, or of *Ali*, though required by act of Parliament to take the prescribed oath every six days instead of every six months, would put it in competition with the fundamental principles of the law of *Mahomed*, or sentence to death if the heir pardons; much less shall we have from the follower of *Omar* a tear of pity, such as *Mahomed* shed over the tomb of his mother, for whom he was forbidden to pray; though by his faith he must continue to believe the *British* conqueror doomed to the lowest abyss of everlasting

* Introduction, page iv.

torments. We might expect better chance from the twelve *Imaums*, or heads of faith, deduced from *Fatima*, the daughter of *Mahomed*, given in marriage to *Ali*, whose followers, more tolerant, acknowledge the scriptures, but deny the divinity of Christ, and firmly believe all nations will be converted to *Mahomedism* on the day of judgment *. Even chequering the jurisdiction of *Mussulmen* and *Hindoos* by making *Mussulmen* collect from *Durburtur* and *Bermuttur* lands †, and *Hindoos* collect from *Khyuat* lands, may vex, but would fail in effect, if the tax is not defined with justice, and abuse controlled with vigour.

The humanity of *Akbar*, in a variety of codes, enumerated in the *Ayeen Akberry*, recorded special grants to different classes of subjects whom he governed; by humanity and policy he softened the independant spirit of fanaticism with which the *Mahomedan* religion, destitute of priesthood or sa-

* *Franklin's Tour from Bengal to Persia*, p. 74, 1788.

† *Agricola's Letters*.

crifice, looked down on the slaves of superstition. There can be no doubt but the Parliament of *Great Britain*, consistently with the principles of a free constitution and the influence of Christianity, may from the code of *Akbar* select the rule, and by its vigilance gradually diffuse the blessings of its protection to an inoffensive people. The description of *Cauzees* in 1789*, and in the reports of the Committees of the House of Commons, concur that “the venality of *Cauzees* since the Company’s accession to the *Dewannee* added new taxes on *Reyuts* and compromised criminal offences†;” I should as much question their ability as their probity.

It does not require professional knowledge to sympathise with the *British* native subject of *India*, who, grievously oppressed, has hitherto found the courts of justice shut to his suit, if enough of his property does not remain, after seeing the lawyers,

* Sketch of late Arrangements, Introd. p. xiii and p. xx.

† Seventh Report, p. 327.

to make a deposit of money in court proportioned to the greatness of the cause, that it may be admitted to a hearing. This might be necessary when the courts claimed the *Chout* or fourth of the amount of all suits for their perquisite; and the credibility of one *Mussulman* opposed to two *Hindoos* * might suit *Mahomedan* conquerors; but the continuance of such distinction between subjects is neither consistent with policy nor justice; and yet the jury of *Mussulmen* and *Hindoos* †, as recommended by Mr. *Law*, appears not less inexpedient: because we know that the essential rights of *Casts* would be perpetually violated unnecessarily, if persons, ignorant of the distinctions, formed what they thought a creditable list of jurors, merely to assume the form of *British* juries. Parliament is pledged to respect usage and opinions, but not to perpetuate the abuses of usurpers.

* Sketch of late Arrangements, Introd. p. xviii.

† *Ibid.* p. xxi.

CHAP. X.

Alienations of Revenue connected with political Error.

I CONCLUDED the analysis of the Provincial Establishments of *Mahomedan Conquerors* in the countries constituting *British India*, by an illustration of the expediency of native forms * previous to the confirmed abuse † of viceregal assessments by *Zemindary* jurisdictions in 1730, which ever since has influenced the appropriation of the territorial revenue collected from the *Reyuts*. The extracts from Mr. *Grant*'s analysis of the revenues of *Bengal*, and his political survey of the *Northern Circars*, brought us to the knowledge of the amount of the fundamental alienations at the period of the acquisition of the *Dewanee*, and of the extent to which the peculation of native and *European* managers, or the ignorance or inattention of Parliament, had allowed the actual collections on the country to be

* Page 231.

† Page 201.

diverted from the public treasury. His remarks apply to the naturally intricate part of *Indian* finance to the *Mofussil Zemindary**, or ordinary establishment of internal government of the provinces, and are connected to the circumstances of the *Bengal* provinces in 1784. The *Sudder*, or extraordinary civil and military establishment incident to *British* government, has hitherto been more complicated and artificially intricate from a variety of circumstances, particularly from combinations of proprietors and directors to maintain the veil of a double government and elude the claims of the public; from combinations of the Company's servants to elude the claims of the Company; from the combination of natives to elude both; and also from the preponderance of oratory in and out of Parliament, during the contests for power which connected the existence of the King's administration of the *British* empire with the selection of a plan to control the Company's administration in *British India*. The constant exertion of the patience of Parlia-

ment during the investigation of past transactions in *India*, at short intervals, brought forward the general statement of the Company's affairs: at the period of the coalition administration, they were stated, as far as the accounts were intelligible, with arithmetical truth by Mr. *Fox*, and yet Mr. *Pitt*'s prophetic statement proved true; I have stated the amount of the reform in 1785 *, which will sufficiently explain this paradox. The readiness with which Mr. *Dundas* promoted inquiry in Parliament was employed by some Members in 1790 to explain particular opinions, and by others to complete the average account of receipts and disbursements in the Company's revenue and commercial management from 1785 to that period; they furnish the complete documents for the comparison of the three first years of Lord *Cornwallis*'s financial management. The approaching expiration of the Company's charter, and the necessary investigation previous to the introduction of the bill, adopted by Parliament this year, occasioned

* Page 390.

a general public review of the accounts, for the purpose of calculating the amount of the net surplus by trade as well as revenue reasonably to be expected for the participation of the Company and the public, according to the provision of the former acts, during a farther period of twenty years. Mr. *Russel*, Solicitor to the Board of Control *, as an *East-India proprietor*, “ on authentic documents, and on his knowledge of the financial concerns of the Company,” stated his opinion of the surplus: the *East-India Company* published also their opinion; and either account appears sufficiently accurate for the object of the investigation, which was obviously to ascertain whether the rule of appropriation established by the Legislature should be confirmed or varied.

It seems that Mr. *Russel* formed his statement on average, and the Company “ had not been governed by the medium or average, either of receipts or actual disburse-

* A short History of the *East-India Company*, first edit. 1793.

ments for any former period, but have given their reasons for departing from the one and the other; in consequence their receipts are not increased, though the new ceded countries of *Tippoo Sultaun* are brought into the account, while the probable disbursements are augmented: the result of the whole is, that the probable net revenues of the *Indian* possessions, including the new cessions, are estimated by the Company only at £.1,621,050, from which £.561,923 *per annum* is to be deducted for the interest of the *India* debt, leaving a net surplus of £.1,059,127: to this sum they add £.350,000 a year for the produce of imports and certificates in *India*, making £.1,409,127, from which sum they take £.1,127,000 for an investment of *Indian* goods, and £.250,000 towards an investment of *China* goods, leaving a surplus in *India* of £.32,127 a year; with these aids they compute on such yearly sales as, with their annuity and profits on private trade, will produce a net surplus in *England* of £.1,207,114, after paying a dividend of 8 *per cent.* on the present capital stock of five millions, and the interest

of their bond debt, the expences of recruits and all other current charges at home, and the establishment for *St. Helena* *." Mr. *Russel*'s surplus amounted to £.1,350,000, consequently his difference with the Company was only £.142,886, which appears a close approximation if compared with the opposite statements in 1783. It is not material to decide between arbitrary deductions from inaccurate documents, but it is material to render vouchers correct, that syllogisms may not be wanted to make up for arithmetical inaccuracy. Government and Parliament will find their advantage in keeping off the veil from the arcana of *Indian* politics; the nation will support what they understand, and if any part of the artificial management of former periods shall be allowed to revive, public opinion and the control of Parliament will be eluded by collusion of irresponsible proprietors with responsible ministers, and Parliament itself, which can withstand all open attacks, will be sapped to its very foundation.

* *Short History*, p. 51.

Parliament was informed in 1772 *
 “ Your Committee have been obliged to make up the account to different periods, as the Company’s Presidencies do not observe the *same* periods for forming the annual accounts transmitted home.” “ Your Committee also find several articles of expence which ought to be charged to the account of territorial acquisitions involved in the expences incident to the commerce of the Company, and to the general management of their affairs at home, &c. under the many difficulties in which this part of their inquiry is involved, the Committee can only state such materials as will enable the House to form a *general* judgment of the subject †.” I am sure that the same remark applies to the present period, and the powers of the present act are fully ample for control; and the *interest* of the Company and of the public combine in simplifying the Company’s accounts, and in defining the principles of

* Third Report of Secret Committee, p. 59.

† *Ibid.* p. 72.

the double agency, because the profits of both form the common stock.

What has been adduced by Mr. *Grant* on the *Mofussil Zemindary* and on the definition of *Zemindars* in the preceding chapters, will point out a clear distinction between the *Mofussil* and *Sudder* charges*. The Company's military audit is already sufficiently correct for all purposes of control; but the civil audit requires extended and defined powers to connect the services; and by a general review to correct errors; demonstrably of *European* origin, reducible to control by restoring to *Asiatic* accounts of the territorial revenues and civil disbursements their former simplicity.

I have stated† that a *Corn Rent*, or a division of crops, had been the rule of tribute from the earliest periods; and that the *Charter of Rights* granted by *Akbar* to the natives of *British India* had been *His* violate subsequent to the usurpation of *Jaffier Khan*, and until the *British* conque-

* Page 270.

† Pages 200 and 313.

rons found it convenient to elude control either of *Magul* or of *British* government. It was hardly to be expected that *Mahomed Ali Khan* should impose on himself all the control of the pure system of *Akbar* if the Company chose to stand forth *Dewans* and not *Soubah*, when they allowed the territorial revenues to be received in their behalf.

The alienations in the *Bengal* provinces*, and in the northern *Circars*†, at the acquisition of the *Dewannee*, and since the year 1765, could not have escaped detection if the register office, under the name of *Canongoe* in *Bengal*, and of *Despandeah* in the *Decan*, had been restored to the exercise of its duties described on Mr. *Grant*'s information‡. Without an argument, its disuse is evident; by reference to the records of Parliament for the definition of the “*Canongoe* office§.”

* Page 267.

† Page 240.

‡ Page 149.

§ Sixth Report of the Committee of Secrecy, p. 314.

“ The nature and services of this office are fully explained in the proceedings of the *Moorshedabad* Council of Revenue, 2d July, 1772; the Committee are of opinion that their utility is almost suppressed, from the *change* which has taken place in the revenue system; out of tenderness, however, to the ancient form of government, and deference to the *grants* which they hold for their office from the Court of *Delhi*, the Committee think the *Head Canongoe* may be continued, either receiving their present *Ruffooms*, or whatever may be considered as an adequate *pension*, but that all the dues allotted for the support of their officers (inferior *Canongoes*) in the districts may be attached, and those officers enrolled among the monthly officers of each *Cutcherry*; thus the government will still reap the benefit of their knowledge and experience in carrying on the business, while a *considerable saving* will be produced from the resumption of the dues they have hitherto received.”

Note*. “ The office of *Canongoe* is of

* Sixth Report, Committee of Secrecy, p. 314.

Royal institution, of long standing, and, in many places, hereditary; it is frequently exercised by deputy, though the emoluments are enjoyed by the principal; in some districts it has been long abolished. The *Canongoes* have usually had the care of the *Sudder* and *Mofuffil* records, and all papers attested by the *Canongoe* are received as authentic and decisive in all disputes relative to lands, their boundaries, or property of that nature."

It is farther observed in the reports*, that "*Canongoes, Registers of land, have no authority, but causes of land are often referred to their decision by the Naxim Dewas.*"

When I looked into the *Ayem Akberry* for the description of the inferior *Canongoes* of districts thrown off from the *Head Canongoe*, it appeared that, by the regulations of *Akbar*, *Canongoes* were paid by Government according to their rank, and *Putwarrees* were paid by the villages by a

* Seventh Report of Committee of Secrecy, p. 347.

Suddu-cy, or allowance of $2\frac{1}{2}$ per cent.; they are thus defined: "The *Putwarry* is employed on the part of the husbandman to keep an account of his receipts and disbursements, and no village is without one of these. The *Canongoe* is the protector of the husbandman, and there is one in every *purgunnah* *."

If the *Canongoes* had little to do in 1772, we shall find, by the *Bengal* revenue consultations in 1789, that the *Mocurrery* plan did not include those officers †. "The *Canongoes* will have nothing to do when the village allotment takes place." "When the *Mocurreys* shall be confirmed the *Canongoe* office becomes useless; the old officers may receive their salaries for life, for as the rent of each village with its measurement are herein particularised, the old records are not necessary ‡." "*Tehseeldars* might employ the useless *Canongoes* in the

* *Ayeen Akberry*, Vol. I. p. 358.

† Mr. *Law* has withheld his Appendix E relating to the *Canongoe* office, p. 223. Sketch of late Arrangements.

‡ Ibid. page 170.

receipts*.” In *Babar* the *Canongoe’s Sepoordaneh*, on the report of the *Tehseeldar*, was ordered to be abolished as an *imposition*†. The consequent alteration of the *Reyut’s* situation is striking in every point of view; instead of his *heritable Pottah* registered by the *Canongoe* and guaranteed by the *Sovereign*, he is turned over to the *Zemindar*, his liege lord and proprietor of the soil. A village by the *Mocurrery* plan is defined to be “an average assessment of an extent of soil, which the proprietor must allot in the best mode for *himself*‡;” and it being generally allowed that the assessment was unequal, and the measurement inaccurate§; Mr. *Shore* observes, “that irregularities in the assessment are acknowledged to be of less importance to the state than the variable uncertainty of its amount is to the subject; it is, however, a desirable object in fixing the quit rent in perpetuity to render it in the first instance as equal as possible; whether, under all cir-

* Sketch of late Arrangements, p. 170.

† Ibid. p. 147.

‡ Ibid. p. 99.

§ Ibid. p. 106.

circumstances, it would be advisable to delay the plan with a view to this object is another, and serious, consideration." The President of the Board of Revenue* stated that " Mr. Law observes, the *Canongol's measurement* cannot be relied upon; he has inserted in the *Pottah* and *Gabtoleat* the term *more or less*. In reverting to the copies of these instruments, accompanying the Collector's letter of the 24th of October, I could not find the term *more or less*." These observations lead to the explanation of the Collector's arbitrary rule of correcting the defects†: he " had only to diminish upon the highly cultivated, and consequently heavily assessed villages, and in some instances to increase a little the *Jumma* of a few villages with an extensive tract of land which paid almost nothing." By freeing the *Mocurrydars* from the capricious claims of head *Zemindars*, " it were nearly impossible to over assess any villages‡." In respect to boundaries, " ful-

* Sketch of late Arrangements, p. 106.

† Ibid. p. 85.

‡ Ibid. p. 106.

ly aware of the consequences from litigated limits, I (Mr. Law) inserted the clause in the *Pottah*, or title deed, for the reciprocal security of *Government and landholder* *."

"On reference to the *Persian grant* the word *Tuckmenum* is inserted, but, by some mistake, the copier of the *English Pottah* transmitted to the Board has omitted its translate *estimated more or less* †." "Sooner or later the village holders will even mark their boundaries, which are sufficiently ascertained now, but they could not be relied upon for a report; first from their reluctance to incur trouble and expence; secondly from fear of exposing themselves to higher rent, or from a wish to obtain a lower; thirdly to their liability to err, from ignorance or neglect. No report can exclude the revision of *Adaulats* when disputes arise; to attempt defining every limit would be to excite a spirit of dispute and encroachment instead of preventing it. *The Collector's assistant* would be apt to mistake, and his mensuration could not be in

* Sketch of late Arrangements, p. 109.

† Ibid. p. 107.

justice a bar to the Court's investigation upon an appeal, and therefore his trouble *ab initio* be nugatory *." This important word "*Tuckmenum*" will leave every grant, or *Pottab* where boundaries are ascertained, open to the decision of the *Adaulet*; and where boundaries are not ascertained and increased, cultivation shall make it worth dispute: "the courts of justice will decide, in what manner is immaterial to the Government, whose quit rent cannot be endangered †."

Having thus settled the assessment, if the land proprietor refuse the quit rent allotment, he will receive *permanent* compensation ‡ of *one tenth*; if he accepts, he must make good his payments, or the lands must be sold privately § by the *Zemindar*, or publicly by the Collector, subject to the specified tax ||. "A purchaser's refusal of the quit rent cannot be admitted, else the applica-

* Sketch of late Arrangements, p. 111.

† Ibid. p. 110.

‡ Ibid. p. 42.

§ Ibid. 121.

|| Ibid. p. 85.

tions for deductions on various pleas would be endless; should an earthquake happen, overflowing rivers deposit sand, or *mistaken assessment* render the village inadequate to bear the land tax, the *proprietors* should be at liberty to *resign* the estate, (the quit rent being the condition of his tenure) and the Board of Revenue may afterwards grant it to another*." The *Reyuts* can easily move from one *Mocurreydar's* estate to another; "thus oppression will be prevented†." "The *Adaulets* will prevent oppression, and as rack-renting can only drive the *Reyuts* to a neighbouring *Mocurrery*, they will return immediately upon a change of proprietor‡." It appears that so much of the old custom of *corn rent* had prevailed during the Company's farming system, that the *Reyut* had the option of *delivering rice in kind*§; if he cultivated valuable articles, cotton, sugar cane, opium, &c. he was liable to pay those crops in *coin*; the exactions of the *Zemindars* had lessened the

* Sketch of late Arrangements, p. 95.

† Ibid. p. 60.

‡ Ibid. p. 96.

§ Ibid. p. 60.

cultivation of these articles ; if the *Zemindar* or farmer demanded during the *farming system* more than his proportion of the crop of rice ; “ the *Reyut* refused to cut it down, and steals enough at night for subsistence, leaving the remainder to rot on the ground *” but by the *Mocurrery* plan, the heritable *Pottab* is of no avail, the *Reyut* must submit to exaction or run away.

I am unable to state the charge of this system. It appears that a *Tehsildar*, a native officer must be appointed to collect in each *Purgunnah* † at an allowance of 2½ per cent. and “ as the country becomes flourishing, offices under government will be solicited more for honor than the salary ‡” when *Zemindars* are deprived of “ the management of their own lands, they are, agreeable to the constitution of the *Soubah*, to receive permanent allowance of 10 per cent. *Malconnah* on the net *Jumma* of the *Zemindary* §. Mr. Law observes “ that

* Sketch of late Arrangements, page 60.

† Ibid. p. 92.

‡ Ibid. p. 57.

§ Ibid. p. 240.

every year, every month, every day, alters the cultivation in each village, in quality and quantity. The idea of a general appreciation by this means, incurred great expence, dissipated much ability, and defeated a *Mocurrery* plan under Mr. *Hastings's* administration" * ; and Mr. *Lew* explains the necessity of deviating in some parts from Mr. *Francis's* plan for fixing the demands of Government upon the *Zemindars*, and of restoring the old feudal system. He could not admit Mr. *Francis's* calculation of a surplus of revenue which he stated in 1776 likely to absorb all the circulating specie of the country, because a different conclusion was established by Mr. *Dundas's* statement of disbursements † ; he could not confirm all the *Zemindary* prerogatives, which would prevent Government from resuming criminal jurisdiction, or providing for unavoidable emergencies. " Much credit is certainly due to Mr. *Francis* for his sensible minutes, but he will no doubt acquiesce in the superiority of the present

* Sketch of late Arrangements, p. 115.

† Ibid. Introduction, p. iii.

arrangements which have limited the demands on the land, which have abolished all feudal impositions, and left taxation in the hands of Government. Mr. *Hastings* deeming the board not sufficiently informed for settling a land tax on perpetuity, recommended deputation of investigators; and thus Mr. *Francis's* plan was postponed." *

It is not my wish to investigate the private opinions of public men; it is, however, proper to class public men as they please to class themselves; measures are then easily distinguished from professions, and judgement becomes founded on experience, instead of blind confidence.

Mr. *Francis* stated to the p
of settlement †; he also stat
his opinion of the manag
revenue; he told the Hou
opinion coincided with
with Mr. *Hastings*
the House

* Sketch of

† Original

entirely managed the revenues after Mr. *Anderson* had left *Calcutta* *. Mr. *Francis* concurred with Mr. *Shore* in combating the report and statement of Mr. *Grant*; consequently the demonstration of the errors of Sir *John Shore* appear to be at the same time the demonstration of Mr. *Francis's* error, so far as relates to the definition of *Zemindar* and its consequences.

As to the nature and amount of tribute, all the managers, from Governor *Holwell's* time to the year 1785, had adopted either the *farming* or *subsidiary* principle of collecting revenue. Mr. *Rouse* informed parliament that Mr. *Hastings* and council entertained an opinion that Government had a right to the *full produce of lands*, allowing compensation to the *Zemindars*; his predecessors had done so before him. The districts of *Burdwan* and *Kistegar* had been let to farm, and measures had been taken to ascertain the *gross produce* of all the lands, yet no charge had been laid against the hu-

* Parliament Debates, Vol. 39. page 116.

manity and integrity of Mr. Verelst, the Governor who authorised it *".

As to the amount and rule of assessment, there appears the same uniform avowal of ignorance. Mr. Rouse told parliament " what is now the standard rate of that assessment in *Bengal*, or whether there was any universal standard, he had never been able to learn, either from books or inquiry; but he understood that in the province of *Babar* the known and established profit or claim of the *Zemindar* was *one tenth* only of the produce †". The same opinion was published in 1790‡ by Mr. Rouse; and the Revenue Board in *Bengal* continued in 1789, a diligent inquiry after a regular known system of revenue in *Babar* §. Mr. Law answers, "I know of none"—" revolutions must have been frequent, subversive of all regular system of revenue."

When Muffulmans subdued the country they found a *Maharajah*, inferior *Rajahs*,

* Parliament Debates, Vol. 39, page 125

† Ibid.

‡ Mr. Rouse's Dissertation.

§ Sketch of late Arrangements, page 127

and *Reyuts* ; and to this day the *Rajabs* in the hills have continued tributary landholders :” * and Mr. *Law* farther says, he is “ not acquainted with any fixed rules of taxation, the division of the crop excepted ” “ I understand that Mr. *James Grant* has written, with assiduous research and great ingenuity, an analysis, and I trust to be excused referring thereto for what has escaped my knowledge” ; and this reference is the *Delphic* answer to four queries of the Board of Revenue †. The statement of these opinions is sufficient for an anonymous writer, who “ *Errare potest, litigiosus esse non vult.*” The reader will be able to pursue these curious investigations in the publications referred to. I have justified my own opinion, and have no occasion to press arther on the bad success of Sir *John Shore*’s financial experiments on the landed revenue, sanctioned by the published opinions of Mr. *Francis*, of Mr. *Rouse*, the late Secretary to the Board of Control, by the fair support of the Directors and Board

* Sketch of late Arrangements, page 127

† Ibid. pages 129 and 130

of Control, and by the weight of Lord *Cornwallis's* authority.

Having traced the sources of error in the management of Territorial Revenue, it may be necessary to advert to the errors which tend to perpetuate anarchy and speculation in the other branches of revenue.

If *Cossim Ali* could have limited the Company's trade to the import and export trade of its factories, as before 1757, the *Mogul's Phirmaund*, and the Company's charter, would have answered every commercial purpose of the Company ; but the Company grasping at usurpations of sovereignty, and the Company's servants grasping at all the internal trade of the Company, the one set up the pretension of levying duties, and Foreign Companies followed their example as far as they could. Conquest having thrown the power into the hands of the English, the pretensions of the Company were sanctioned by *Phirmaunds* ; but the servants of the Company employed them by no other rule than their private interest, to strengthen monopolies,

and established decided superiority in their adventures over foreign companies and private traders *. The extension of privileges and exemptions granted to the servants of the Company, could not be granted to foreign companies, without granting in fact, a participation of sovereignty; for the Company's servants varied the internal duties, at the will of their agents or *Banyans*, and of their Factors, or *Gomastahs*, superseded the civil and criminal jurisdiction of the country. Parliament is possessed of useful information on this period †. The violation of the rights and sources of the revenue of the sovereign is plainly stated by an able servant of the Company ‡. The Nabob *Coffim Ali*, finding it impossible to participate of the *Mogul's* revenues, threw open the trade of the country, but the country was not permitted to enjoy his largesse, for he was deposed, and *Meer Jaf-fer* was restored under the condition of implicit obedience to the Company's servants. At length the abuse of unautho-

* Fourth Report Committee of Secrecy.

† Reports of *East India* Select Committee, 1772.

‡ Mr. *Vanfittart*, 2d vol. page 99—104.

rised taxation endangered the territorial revenues * ; and notwithstanding the reports in Parliament, and Mr. *Grant's* representations, connect the principle and practice of usurpation with the decline of the *Mogul's* power, yet all the experiments of reform have hitherto tended only to prune abuses and leave deep-rooted error to invigorate by multiplied sprouts of corruption. I shall illustrate this observation by tracing, cursorily, the system of Government imposts or *Sair* †, under the Company's management previous to 1773. Nine Government *Chokees* were dependant on three principal Custom-houses ; the *Packetra* at *Moorshedabad*, the *Buxbunder* at *Houghley*, and the *Shawbunder* at *Dacca* ; and the *Zemindary* as well as the *Nizamut Chokees* had been extended proportionably to *Aboabs* under which they included all unauthorised and unconstitutional imposts. The Committee of circuit in 1772 ‡ settled the customs, by allowing *Zemindars* a compensation for

* Fourth Report Com. of Secr. 1773—Ninth Report, 1782.

† Page 164.

‡ Sixth Report of Committee of Secrecy, 1773.

several *Chokees* they had established, to the amount of 9,77,727 Rupees annual abatement of *territorial* rent, and on a representation that export goods had risen beyond the prices suited for the Company's profit in the European market, the Government duty was reduced to 2½ per cent; the goods of the Company's servants were allowed exemptions from duties and tolls; and foreign companies were confined to the privileges of the *Pbirmaund*; they were allowed to declare the cargo; and individuals, under the privilege of their flags, claimed similar favour. It is not surprising that disputes multiplied, and the revenue diminished under this system.

It may be necessary to state that the establishment of a Board of Customs in 1773 consisted of one member of council and four senior covenanted servants. The Government Custom-houses at *Moorshedabad*, *Houghly*, and *Dacca*, were continued; and one established at *Patna*, and another at *Calcutta*; which brought the *Mogul* or Government Collection within the Company's boundaries: two other Custom-hou-

ses were established, one at *Malda*, to collect duties on goods exported to the Northern parts of *Hindoستان*; and one at to collect on goods exported to the Westward. The Company's customs were under the custom master.

I think it may be plainly deduced from the examination of this period, that the Company endeavoured to reduce the importance of Government duties, and to throw them into the scale of *Phirmaund* privileges, combined with the interest of the Company's servants; and it became necessary for that purpose to confound inland duties, and the import and export duties.

It is certain that the *Mogul's Phirmaund* granted exemption only to articles of import and export by shipping to or from factories or privileged settlements; all articles, whether of manufacture or produce of the country, for exportation, were subject to the same charges which affected the natives. Mr. *Vanfittart* and Mr. *Hastings* could not dissent from *Coffin Ali* on this definition;

the Company's accounts proved the Company's payment of inland duty on salt *; but the Company's servants voted that *Phirmaunds* gave exemptions from internal duties. *Coffim Ali* was deposed, and *Meer Jasseer* by treaty † exempted the Company from all duties except the duty of $2\frac{1}{2}$ per cent. on salt, which strengthened the monopoly of the servants of the Company, by subjecting foreigners to the government duties from which they exempted their own concerns; and also from *Zemindary* duties, by indemnifying *Zemindars* by the government rents; and there was a degree of indulgence to foreigners actually annexed to the regulation. The French and Dutch had been the chief importers of salt; and by a subsequent investigation in 1776, the report of the *Collector of Customs*, and of the *Canongoes*, ascertained that the old duty on salt ‡ had been $2\frac{1}{2}$ per cent. on

* *Vanfittart*, 2d vol. page 143.—151.—271.

† Fourth Select Report, p. 481, 1772. Company's printed Treaties, p. 114.

‡ This does not appear to have been the general tariff on all articles; the Collector of *Patna* reported in 1773, that the *Hindoos* used to pay $7\frac{1}{2}$ per cent. on Broad Cloth.

Mussulmen; 5 and 6 *per cent.* on *Hindoos*, and 4 *per cent.* on European importers. The foreign companies therefore continued to import to their factories subsequent to 1773, and paid 2½ *per cent.* on exporting it from thence into the country. The Committee of Circuit and the Bengal Government anticipated the order of the act of parliament*. The abuses and smuggling were laid open; the revenue on salt had sunk under 5 lacks; and the resumption of the salt *mahals*, and the sale of salt by public auction, was settled in 1772, for the purpose of bringing to the account of Government all the profits which the Company's servants and their *Banyans* had received from the period of *Meer Jaffer's* treaty; and the Directors confirmed the arrangements in 1775 and in 1776†. The difficulty which then occurred seems imputable to the impossibility of annihilating competition, the natural corrective of extortion. Mr. *Francis* inveighed strongly against the monopoly of salt in 1775, for it then ope-

* Bengal Letter, 7th February 1773.

† Ninth Select *East India* Report, 1783. Appendix No. 30.—No. 33.

rated to annihilate its manufacture. The consumption of salt in *Bengal* was that year computed at 20 lacks, of which 15 lacks was imported from the coast. Mr. *Hastings* proposed to strengthen the monopoly by a total prohibition of importation; and Mr. *Francis* admitted that if a prohibition was not issued, the French, Danes, and Dutch, would absorb all the salt trade; but that such prohibition would not be acquiesced in. It was deemed expedient to check the import of salt, by an additional duty on country vessels of 20 rupees per 100 maunds of salt, which, with the old duty, made it amount to 30 rupees. European vessels were to remain on the old duty. An European on board, or an European certificate, however, eluded the regulation*, and a new experiment became necessary. Mr. *Hastings*, 24th September, 1776, suggested the different modes of better managing the salt *mahals*†; and in 1777 the plan was proposed to farm the *mahals*; to make no advances, but to include the duty in the rent, to be paid in coin, and to admit of no balances; consequently the sale

* Ninth Report Select Committee, 1783.

† Appendix No. 88—No. 90.

and distribution of salt was to be at the risk of the farmer. *Zemindars* were to have the refusal of their districts; but it was obvious that the farmer must have great capital and mercantile connections, and must be found chiefly in other descriptions of men. The *Zemindars* would not engage on this plan; and an additional duty of 30 *per cent.* was added to foreign salt; and an offer was made by Government in 1780 to make advances to *Zemindars* if they would engage; but they still refused. The plan of Mr. *Hastings*, in September 1780*, on the principle of the first monopoly of the President and Council, was adopted by the Board. His minute explains the causes of former failures, and their remedy. All the salt of the provinces to be provided for the use of the Company, and sold for ready money, by agents superintending the manufacture in six different districts, under a Comptroller and his establishment, with an allowance of a commission of 10½ *per cent.* besides their salaries, to be estimated on the “dif-

* Ninth Select Report, 1783. Appendix, No. 91.

ference between the sum of all the antecedent expences of whatever kind ; and the produce of the sales, the duty included, of all the salt brought to account of the Company in the division, whether by manufacture or confiscation, to be distributed in proportion of one fourth to the Comptroller, three fourths to the agent, of each division respectively ;" and to strengthen the monopoly, a total prohibition was laid on the importation of coast or foreign salt, which took effect on 1st January, 1781, and salt has ever since been a productive source of revenue.

The foreign companies appealed to their *Phirmaunds*, in which they could not find the right to control the Sovereign will, but had unquestionable rights, if the Company's construction of a *Phirmaund* was allowed to be correct. The *English* merchants, who had put all regulation of duties to defiance, could not evade a general prohibition, joined in clamour against the monopoly, as oppressive to the country, and supported the pretensions of foreigners as the means of emancipating their trade.

This period was also distinguished by the abolition of the old Board of Customs, established in 1773. A new code of revenue regulations was perfected in May 1781 by a new Board; Collectors were stationed at *Calcutta*, *Moorshedabad*, *Patna*, and *Dacca*; *Government* customs were fixed at 30 sicca rupees per 100 maunds on beetle-nut and tobacco, and $2\frac{1}{2}$ *per cent.* on all other goods; *Company's* customs at 4 *per cent.* on the *Calcutta* price of all foreign imports or goods from sea; 4 *per cent.* on the *Aurung* price of gross inland imports, or goods from *Aurungs*; 2 *per cent.* on goods from the *Aurung*, such as piece goods, raw silk, and cotton yarn. The book of rates to be issued annually of the fixed prices of imports for the ensuing year; *Rowanahs* to pass for one year, and not to be detained for examination above one day; double duty on goods which had no *Rowanah*: covenanted servants were also stationed at *Nea Serai*, *Scrool*, and *Malda*; vigilance was stimulated by a commission of 15 *per cent.* on their gross collection. It is not intended to trace all the changes of stations, but to trace general

principles. At this period the first regulation * was, that “ no distinctions be made in favour of particular persons, or goods, or places:” we shall examine how far this fundamental rule applied to the Government duty and to the Company’s duty. The first exemption of Government duty was in favour of the Company’s investment; the disputes between the Board of Trade and the Collector of Customs were settled by an order of the Supreme Council that the goods of the Board of Trade should pass free of inland duty.

The Collectors find it difficult to collect the inland duties without additional *Chokies*; several are ordered in the *Patna* division, with an increased establishment, an assistant to the Collector, and fifty-nine native officers; in other divisions the Collectors spread officers where they thought necessary, and complaints of oppression or interference from all quarters crowd on the Commissioners. The interference of Collectors with the farmers of *Bazars* was set-

* Regulations of the New Board, 1781.

tioned, by appointing the farmer to collect the Government duty on rice at the *Bazars*, and to account for it to the Commissioners. The Collectors are ordered to call in all officers from unauthorized *Chokies*, which, the Collector on the confines of *Burdwan* informed the Commissioners, would in effect be the same as to give up the duties.

The profits of the Collectors were curtailed as much as possible without abandoning the system; the regulation of *Rowanahs*, or permits, still marked the necessity of distinguishing the collection of Government duties from the collection of the Company's duties. The office of Deputy Custom Master was revived; the Commissioners were allowed to appropriate 15 *per cent.* of these collections, including duty on the Company's investment, among their officers; but the Custom Master was made independent of the Commissioners in adjusting amounts, and in issuing his *Rowanahs*; this operated as a double charge on the traders; and the Government dues were eluded in both.

The import duty of raw materials for cordage was 4 *per cent.*; it was stated to the Board that cordage manufactured became subject to a duty of 9 *per cent.* besides the fees, and foreigners only paid 6½ *per cent.*; the Board ordered that only one duty should be required: *Surat* cotton was under the same predicament, but could not be included in the same rule without ruining the collection, and these goods were either smuggled into *Calcutta* or carried into foreign factories, from whence they were exported without duty: this occasioned new arrangements in 1782; two new Custom-house stations were established at *Houghly Point* and *Keeble Canal* to intercept goods and collect the duty; and the Custom-houses at *Scrool* and *Malda* were discontinued, and the Government customs to the northern and western parts of *Hindostan* were thereby abandoned. A new participation of the commission on the collection was ordered at the same time; the first commissioner, as President, was allowed five shares, and four to each Commissioner, and two shares to the Secretary and Accomptant; the whole commission was thus

divided in fifteen shares. The Directors, in January, 1783, disapproved of the arrangement, and recommended a general revision. In April, 1785, they ordered the Board of Customs to be abolished, and the allowances of Collectors to be reduced to the standard of 1776, and the Government customs to be managed, and the expences defrayed, from the allowance to which the revenue department was then limited. The foreign companies asserted their privilege of *Phirmaund*, and exemption from the Company's customs. The refined *British* statesman who settled the treaty of *Versailles* introduced a new description of subjects to the *British* empire; that treaty guaranteed the freedom of trade to the *French* in *British India*, and Mr. *Macpherson* endeavoured by negociation to render the thirteenth article intelligible and practicable: the prohibition of importing coast salt was maintained by conceding a partial exemption to the foreign settlements of a limited quantity of salt. The other privileges of *Phirmaunds* were insisted on as very important, and it was proposed to reduce even these claims to a definite and conve-

nient extent ; the honourable *Charles Cathcart* was entrusted by the Governor General, and his able negociation with M. de *Souillac*, the *French* Governor General, brought this important explanation to a crisis. The Directors had formed a treaty with the Directors of the *French East-India* Company in 1785, which the Comptroller General of Finances rejected ; the agreement of Mr. *Macpherson* relative to salt was also disallowed by the *French* Government in *India* ; and another plan which the foreign merchants solicited, met with favour from the Governor General ; but it occasioned much clamour at *Calcutta*, and was not confirmed by the Directors and Board of Control. The foreign merchants were willing to carry on their trade from *Calcutta* instead of their factories, provided they were allowed to pay the same duties which they paid in their settlements ; and the whole argument which supported the clamour of the *English* merchants consisted in stating, that they should still be liable to pay to the Company's duty, from which the foreign merchant would continue to be exempt, and they prevailed in perpetuating

the hopes of future evasions under foreign privileges, but Government was aware of the former evasions which the Company complained of, and adopted the expedient of discontinuing the inland Government duty on foreigners, and left them to make the most of their *Phirmaunds*. The convention settled provisionally by M. *de Souillac* and Colonel *Cathcart* was reduced into a definite explanation of the treaty of *Ver-sailles* by Lord *Auckland*, then plenipotentiary at *Paris*, and *French* subjects were to be as *British* subjects in commercial concerns: this explains the curious distinction above mentioned* in the introduction, “*French* subjects are as *British* subjects, other *Europeans* are not as *British* subjects in *British India*.” It is a necessary and important object of the Directors and Board of Control to revise this subject; the powers of the present act are competent, and the definition of privileges must be rendered uniform and just.

I should not have dwelt so much on the

* Page xxix, and Plans for *British India*, p. 412.

progress of the Company's collections if the attention of Parliament, and indeed of the Board of Control, had been sufficiently directed to the Company's policy. An erroneous definition of persons and things is still insisted on; the statement of securities to the proprietors of *India* stock, *on territory and customs in British India*, might have passed without observation so long as the enumeration rested on the opinion of an anonymous proprietor of *India* stock; but as it forms an important addition to the security which Mr. *Russel** states to belong to the Company, and its amount corresponds to the sum stated by Mr. *Dundas* in opening the new *India* bill this year, it becomes necessary to shew that the Company's customs are the Government customs, and that the attempts to elude the rights of the state have hitherto been equally ruinous to the interests of the Company and to the rights of the public, and if permitted to continue, will supersede the benefits of the present act.

* *Short History*, p. 36.

The Committee of Circuit in 1772 re-deemed *Zemindary Chokies* by abatement of 9,77727 rupees of territorial rent, and the Governor and Council reduced the customs of Government to $2\frac{1}{2}$ *per cent.*; the average medium of six years Government customs subsequent to that period produced only 7,29433 rupees*. The balances and remissions in landed revenue on record for the five years settlement amounted to 100,00,000 rupees, or 100 lacks†. The economical plan of 1781 increased the charges of collection, and “in the year 1783 the charges of collection were double what they were in 1766, and the net revenue from the territorial acquisition in *Bengal* was one million sterling less than it was the first year after the accession to the *Dewanee*‡.” This statement corresponds with Mr. *Grant*’s calculation on the revenues of *Bengal*, detailed under different periods of the first nineteen years of the Company’s *Dewanee*, and proving that

* *Bengal Revenue Consultations*, 23d April, 1781.

† Directors’ Letter to *Bengal* Government, 12th April, 1786.

‡ *Ibid.*

the progressive decline of revenue and increase of charges during that period “ afforded sufficient data to predict with moral certainty, if the system was continued for forty-five years longer, it would gradually absorb and alienate all the known sources of public income and improved territorial funds of 80,797 square miles.”

Whenever official documents shall ascertain the comparative expence of the collections during the first year of Lord *Cornwallis's* government, 1787, and of the present year, 1793, the allowances of the new native collectors, and the pensions to dispossessed *Zemindars*, and the Government duty given up, must all be taken into the account; one plain conclusion may be predicted, the charges will have increased, and the system will still require amendment; the remedy has been constantly within the reach both of the Directors and of the Board of Control; the Government customs should have been established and the Company's customs abolished, for the regulations of Government customs will include all descriptions of

traders; and the Company's customs necessarily require different heads of receipts and different titles, and perpetuate the ruinous evasions of control.

CHAP. XI.

THE circumstances of *British India* require the constant superintendence of a just and provident government.

I have dwelt sufficiently on the errors of a modification of Mr. *Francis's* plan of settlement in Sir *John Shore's* hands; and Mr. *Francis's* surplus has been shewn to be inadequate to the exigences of current disbursements. I am equally inclined to check the extravagant expectation of inexhaustible surplus from oppression and rapine, and must state the necessity of investigating the circumstances of the country, to avert the calamities arising from physical causes.

The embankments of rivers, the collecting water in tanks or reservoirs during the rainy season, for the purpose of giving fertility to districts which have no rivers, or from situation are more exposed to great drought, are included in the *general* superintendence of the Board of Control and Directors by the act of 1793. The charges of repairing embankments are included under the head of *Poolbundy* in *Bengal*: in the *Carnatic* the repair of *Tanks* is provided by a tax, and the *Circars*, from the neglect of its conquerors, continues exposed to the desolation of anarchy and of improvidence.

Lord *Clive* well knew that the *Euphrates*, under enlightened conquerors, might have preserved to this day, by regular and moderate charges, the fertility of its banks, which, from financial more than from physical causes, will probably never be restored to that once happy country; he considered it of great political and physical importance, and this head of expenditure was one of the *jobs* imputed to Lord *Clive*; his mind proportioned expences to the magni-

tude of objects; he repeatedly told the Directors and Parliament that a liberal allowance would become an intolerable charge without a rigorous control of expenditure; where taxes had been collected by *Mahomedan* conquerors for tanks and embankments, they have not been discontinued by *British* conquerors, but the application of the money collected has been unsystematic, and it will require a serious investigation of the commissioners under the present act, not only to ensure the expenditure of the money, but also its judicious application on the report of experienced engineers, who may combine *European* science to *Indian* experience, and render the works both permanent and adequate to the object. The divisions of departments, introduced in 1785, are still continued in the system of *British India*; Sir *John Macpherson* at that time proposed to let the *Zemindars* manage the repairs charged in the *Bengal* accounts under the head *Poolbundy*, which the Directors approved, subject to the superintendence of the Supreme Government. I am not able to state how these charges are connected with the *Moccurrery*

plan by Sir *John Shore*; the *Zemindars* have no power to assess the districts. All the charges incident on land are thrown on the land, and "should any earthquake happen, overflowing rivers deposit sand, or mistaken assessment render the village inadequate to bear the land tax, the proprietor should be at liberty to resign the estate, (the quit rent being the condition of his tenure) and the Board of Revenue may afterwards grant it to another*." And where new aqueducts and mounds are to be made, the Supreme Board, as Parliaments in *England*, consulting general utility, will grant particular licences†. I need not comment on the justice and policy of this opinion: I shall proceed to state circumstances which prove the extent and the necessity of a liberal expenditure, and stimulate the superintendence of the Commissioners under the present act to this subject, which presses on the humanity, and is in fact intimately connected with the interest, of *Great Britain*.

* Sketch of late Arrangements, p. 95.

† Ibid. p. 119.

Lord *Cornwallis*, having traversed the *Carnatic* and the *Mysore* with a victorious army, will judge whether the regulations of *Tippoo* produced greater prosperity where they extended, than the Company's system of assignments has produced in the *Carnatic*: Lord *Cornwallis*'s honourable adherence to the *Corga Rajah*, on the final partition settlement, and his decided support of the *Rajah* of *Travancore*, put him above the reach of detraction, and render him the saviour of the *Hindoos* in the peninsula of *India*; during his administration he has had opportunity to know that storms and droughts require the vigilance of a protecting government, both in *Bengal* and in the *Carnatic*, to preserve the people, who, by the right of the sword, are properly called our subjects in *British India*.

I was favoured by Dr. *Anderson* with his last publication*, and the following passage in his letter to Colonel *Kyd* is an existing evidence of the necessity of a protecting Government.

* Additional Letters, *Madras*, 1793.

Dear Sir,

I am favoured with your letter of 26th May, acknowledging the receipt of the publications I sent you, from which you have extracted what regards the fall of rain, in such a way, as to draw a conclusion that agrees with experience; for between the latitude of 16 and 18 degrees on the Coast there was so little rain fell during the years 1764, 1765, and 1766, that the country was desolated by famine.

The same thing has *now* happened again in the same part of the country, insomuch that, I am credibly informed, *one half* of the inhabitants are no more! and the remainder so feeble and weak, that, on the report of rice coming from the *Malabar* Coast, by order of the Governor General, 5,000 poor people left *Rajamundry*, and very few reached the sea side, although the distance is only fifty miles; the pestilence occasioned by famine is better prevented than cured.

I will leave it to others to declare the

causes of the uncertain fall of rain at the mouths of great rivers, for *Egypt* is remarkable for drought, and the *Goadaveri* spreads out into a *Delta* at *Rajamundry* in the same manner as the *Nile*, so that its mouths occupy fifty miles of the sea coast; and the *Kistna* likewise falls into the sea in the same manner about fifty miles south of the *Goadaveri*, and their waters are united on the intermediate flat country in the months of July and August when they overflow their banks.

It is curious that these two great rivers should proceed in opposite directions to join their waters in a country where, perhaps from the causes you have mentioned, of the participation of different monsoons, the fall of rain is most irregular and uncertain; one thing, however, is most certain, that the bulk of mankind reap little benefit from speculative observations, otherwise the waters of these rivers would long ere this time have been converted to the purposes of agriculture. I have heard say, for I was never at the place, that near *Temericotta* the *Kistna* is precipitated from rocks seventy

feet, which is a sufficient height to carry its waters over the *Palnaud* and *Guntoor* countries, and streams from the *Goadaveri* might no doubt be carried over the *Mustaphanagur*, *Ellore*, and *Rajamundry Circars*, as even in the first week of June, when its waters are at the lowest, the channel in its bed is never less than a quarter of a mile in width and three feet in depth of running water*. Dr. *Anderson's* letter is dated in August 1792. Dr. *Roxburgh's* letter, the October 1792, and Captain *George Baker's*, November 1792, had been laid before Sir *Charles Oakeley*, the Governor of *Madras*, by Mr. *Andrew Ross*, who immediately represented the whole to the Marquis *Cornwallis*, and obtained his warmest assurances of co-operating and assisting the benevolent intentions of the *Madras* Government.

I do not pass over Lord *Cornwallis's* humanity in this instance coldly, to make remarks, which some may think unneces-

* Some additional Letters by *James Anderson*, M. D. and A. M., &c. *Madras*, 1793.

fary, and others may attribute to a disposition to detract from his merit; his honour and private virtue have never been doubted; those who have seen him in difficulty, in victory, and at periods which appealed to his heart, may select the very many moments of his life to evidence his elevated mind: when *Tippoo's* hostage sons experienced by Lord *Cornwallis's* reception that the exultation of victory and conquest had not stifled the feelings of a father, the eyes and hearts of *India* paid tribute to the excellence of *British* character, and revered him: an obligation is not conferred on Lord *Cornwallis* by flattery, but by pointing out the means to render his objects practicable. The circumstances connected with the *Carnatic* evidence the necessity not only of humane intention, but of mature reflection and investigation, fixed rule, and steady control, to digest the plan, on principles and by forms, if possible, equally applicable to every part of *British India*.

Captain *Beatson* informs us*, that the

* Mr. *Dalrymple's* Memoir on Watering the Circars, p. 12, 1793.

Company's *Jageer* owes its fertility to 1,480 *Tanks*, or reservoirs of water, some of considerable extent. Mr. *Dalrymple*, who had been one of the Committee of Circuit appointed by the Directors, informed us*, that the *Tanks* were in a worse state in 1776 than in 1764, though the annual taxes collected for their repair was very considerable; the renters, it is said, have usually appropriated to themselves the *share* of the *produce* collected for this purpose, and the temporary and partial repairs the *Tanks* have received were ineffectual, and generally done at the *extraordinary* expence of the inhabitants.

Dr. *Anderson's* letter, and the meritorious intentions of the Governor General, and of the Governor of *Madras*, are more likely to be directed to their object, from the comment of Mr. *Dalrymple*, printed last month †, than from the zealous and well-intentioned exertions of gentlemen in

* Short Account of the *Gentoo* Mode of collecting Revenue, *London*, 1783, p. 11.

† Memoir on Watering the *Circars*, June, 1793.

hydraulic improvements, who were without such *instruments* as a level: his interesting observations suggest, that previous investigation is necessary to decide on the propriety and utility of turning the course of the *Kistna*. The levels of the whole adjacent country, and the nature of the soil, can alone decide whether the new course of this vast body of water would take the proper direction, and whether the superabundance of water may not destroy the *dry grain*, without even promoting the culture of rice; but above all, whether it would not ruin the country to the westward of *Masulipatam*, and whether the *Goadaveri* may not better suit the purpose than the *Kistna*. We must admit the necessity and importance of these works, when we read Dr. *Anderson's* letter; but in the peninsula of *India*, we must also remember, that the prosperity of the country depends much on its rivers. To the *Nabob* of *Arcot* and the *Rajah* of *Tanjore* a mound has been the frequent source of serious contest*. The *Coleroon*, properly

* Memoir on Watering the *Circars*, p. 12.

speaking, is only the *waste* of the *Cavery*, the water of which, being raised by a *dam*, or *mound*, run out from the west end of the island *Syringham*, is forced in various channels through the *Tanjore* country; but to prevent any *inundation*, the *Annacatt* at the east end of the island of *Syringham* is raised to such a height, that whenever the water in the *Cavery* is sufficiently high for the purposes of cultivation in the *Tanjore* country, the superfluous water flows over the *Annacatt* into the *Coleroon*, and then runs waste to the sea. This sufficiently explains the nature and objects of the works necessary to avert famine, and also demonstrates that it must be the work of the Government; consequently, that, exclusive of military considerations, economical purposes require unity of plan, and equitable distribution of the waters, so far as they can diffuse prosperity over the lands between the *Ghauts* and the sea.

Dr. Roxburgh, at *Samul Cotal*, on 21st January, 1793, informs Mr. Ross at *Madras* *, that “it is too far advanced in the

* Memoir on Watering the *Circars*, p. 20.

season to begin any *grand work*, such as a *dam* across the *Kistna*, but the sooner *Tanks* on a small scale are begun, the sooner will the *remaining part* of the *poor* be enabled to *live*. The *Rice* given away in *charity*, and under that name, since the *famine* began, would have constructed *several large Tanks*, and done infinitely more good; for then the *poor* would have found *work* and *food* at or near their houses, whereas, as it was, they were obliged to leave the *inland parts*, and try to *crawl* to the *few places* on the *Coast* where rice was to be *had*, and very *few* ever returned." And he concludes with another observation; "should the succeeding seasons be as favourable for the crops as there is a right to *expect*, what is to be done with the *overplus produce*? for there are not inhabitants left sufficient to eat half a *good crop*: it cannot be *exported* on account of the *exorbitant inland duties*, for only between the *hills* and the *sea* near this, they come to about 30 *per cent.* on grain," although the distance is only twenty miles. Mr. *Dalrymple* states, that abundance of teak wood might come down the *Goadaveri* if the in-

land duties did not amount to 375 *per cent.*, according (as it is said) to a statement of the Committee of Circuit; and he truly observes, that it would be of infinite benefit to abolish inland duties equitably to the renter, but it does not follow that the national objects which Mr. *Grant* connects with this supply of timber should become private or public monopoly: their combined remarks prove that Government cannot longer avoid a *direct* and *minute* attention to the circumstances of the country and of its inhabitants *.

Under different circumstances of Government, in *Bengal*, in the *Circars*, and in the *Carnatic*, different arts of management and subserviency have opened to *Mahomedan* and *Hindoo* officers a participation in the rents of the country, but the *Reyuts*, or *Pottah* holders, on all sides appear consigned to oppression. In the *Carnatic* every religious and social counteraction of the natives having proved inadequate to afford the *Reyut* protection, no matter whether

* Memoir on Watering the *Circars*, p. 30.

from *British* neglect, ignorance, or avarice, or from *Zemindary* extortion and oppression. *Mooda Kistna* informs us, “ that in many villages of the *Carnatic* the inhabitants have made agreements of restriction between themselves to save the wreck of their property, and not sell their lands to any, even in time of their extremity, but to cultivate such part of their respective share as their ability may afford, and to let the remaining part stand still, and be used by the *Reyuts* and other inhabitants, until the owner of that share can find means to cultivate it. The villages under the above restriction are called *Pashungare*, by which is understood, that no lands of inheritance can be sold there by an individual inheritor; whereas in other villages, which are called *Ardeycara*, shares of land may be sold and bought according to the usual course*.”

From Mr. *Dalrymple* I first learnt that the *Jageer* territory had been accurately surveyed by Mr. *Barnard*; and the perusal

* Postscript to Mr. *Dalrymple*'s Account, 1785, p. 7.

of one page, in which he states the minute accuracy of the survey *, and of a table to arrange the detail of the information connected with the survey, which, if they had come to *England*, would be a sufficient answer to the financial theorists for *Bengal*, who reckon accurate measurement and equal assessment impracticable. I shall therefore only add one farther observation of praise, which is ever due to Mr. *Dalrymple*'s punctilious adherence to correct information. Having observed the *Gentoo*s work together, and submit their accounts to the village accomptant, &c. he had concluded the community jointly cultivated and shared the produce, which opinion Mr. *Dalrymple* published in 1783 †: he received other information in 1785, which he immediately published ‡. *Moodo Kistna*, the Company's *Dubash* at *Madras*, wrote, "that every *Reyut* cultivated his distinct share of land, and received the due share of the produce;" and, he adds, "Mr. *Bar-*

* Postscript to Mr. *Dalrymple*'s Account, p. 6.

† A short Account of the *Gentoo* Mode of Collecting Revenues on the Coast of *Coromandel*, 1783.

‡ Postscript to Mr. *Dalrymple*'s Account, &c. 1785.

renters's account of the survey must certainly give a full explanation of all the particulars regarding the nature of the inheritance, &c. in the country, which may be found in the Company's office." "To collect the produce in kind is the best mode that can be thought of, but it must be attended with some pains and trouble; it requires patience on the part of Government to convert or to receive them all in money, whereas, if the country is let to *Renters*, an immediate payment in cash may be expected from them; but this will of course produce an oppressive management of the *Renters* over the *Reyners*, who will thereby be impoverished in the highest degree; in the present* situation of the Company's affairs, they can neither have patience to wait to receive the produce in its kind, or to be converted afterwards into money; nor can they place confidence in those managers who may be employed in the room of the renters to do so; so

* August 10, 1784, is the date of *Moodo Kistna's* letter from *Madras*.

that the country *must submit* to the present inconveniences."

Such also must be the situation of *British India*, until a general system shall be defined by a *fixed code*; property ascertained by actual measurement and registry; and contribution of a fixed proportion of actual produce, ascertained by annual valuation, or by the average medium of several years valuation on a ten years settlement: then both Government and subjects, by bare inspection of the records, may see and distinguish the rights of individuals and of the state.



CHAP. XII.

On the political Necessity of a Plan for British India.

IT had been often said, when shall we affix bounds to the conquests in *India*? If we had exceeded the geographical limits of

military defence, or the scale of dominion essential to preserve the sources of revenue and commerce, by which the naval interests of *Great Britain* are maintained against *European* competition, tending to annihilate both its sovereignty and commerce in *India*, I should not be an advocate for extended dominion; but if natural barriers of mountains, rivers, branches of the sea, and deserts, give security with diminution of expence, it must be from the inhabitants within such natural boundaries, being either subjects or allies, pensioned by, or pensioning, the protecting power, or they will be most formidable enemies in war, by their free access to the heart of the country, or in peace, by rendering a war establishment necessary. If we have had no fixed rule of conduct with our subjects in *Bengal* and in the *Carnatic*, it will not appear extraordinary that no fixed policy has guided our influence over the sovereigns whom we have created, protected, or conquered, to become the allies of *Great Britain*; or that the exercise of our influence has often been as ruinous to the country as the ravages of a state of war-

fare. It is not necessary to illustrate the remark by the instances of base iniquity imputed to Governors, of which the moment of investigation, restitution, or punishment is irretrievably past, and therefore, for the credit of *Great Britain*, ought for ever to be kept under a cloud, but for the future safety to the honour of *Great Britain* ought never to be out of the memory of the executive and legislative Government.

It does not require extraordinary penetration to distinguish the circumstances in which the interests of *British India* and of its neighbours in *India* concur or differ; a permanent system can only arise from strengthening a common interest. I shall illustrate the necessity of general principles founded on accurate information, by the transactions in the *Carnatic* during the administration of Lord *Macartney*, an honourable man, who, on the statement of his conduct, during a period of difficulty, has received recompence and approbation from the Company and the Ministers; and the legal opinions which assisted him are

of late adduced * as conclusive to questions of great political importance.

In the early period of the *Nabob's* elevation, by the protection of the Company, the *Nabob* of *Arcot* had the entire command of *Arcot* and its dependancies, with his own cavalry and seapoys, and an establishment of ten battalions, paid by the Company, for which he allowed about four lacks of rupees *per annum*. The Company sold to the *Nabob* cloathing, arms, &c.; his payments were stipulated to be monthly, and the revenues of *Arcot* were always mortgaged by anticipation for that purpose. The early wars of 1756 to 1763 against *Hyder*, began the *Nabob's* debt; the expedition against *Tanjore* and against *Pondicherry* in 1778 increased it in a degree, that his ill-paid army became rather an object of terror than of protection; mutinies were frequent, and the garrisons were dismantled. The Company and the *King's* Ministers took into consideration the rapid growth of the despair or ambi-

* Short History, 2d edit. p. 72.

tion of the *Nabob* whom *Great Britain* had created, and of anarchy and devastation to which the necessities of our ally, and the demands of the Company's servants, tended: at last, bounds being prescribed to his ambition, an agreement was concluded, in April, 1781, between the *Nabob* and the Governor General and Council, by which the whole country was secured to the Company, under certain stipulations, during the war. The Directors ordered the agreement to be annulled. Lord *Mercartney* took charge of the government in June, 1781; he did not approve part of the treaty of April, 1781; he stated, 2d July, and 15th August, 1781, that the *Nabob's* managers defeated the attainment of aid from his country. On the 2d of June, 1782, the Governor General and Council repeated forcible injunctions to realise every possible resource of the *Carnatic*. His Lordship obtained from the *Nabob* a new assignment of the revenues of the *Carnatic*, stated in the general letter, *Fort St. George*, 26th of January, 1782; the *Sunnud* made an absolute assignment of the revenues, restoring to the

Nabob one sixth of the net collections for his personal support.

In the *Madras* correspondence, 23d of May, 1783, that Government acknowledged to the *Nabob*, and to the Governor General and Council, that the late arrangements were founded on the *Bengal* treaty of 1781, and virtually constituted a part of it. The *Bengal* Government considered it as a modification of the 8th article of that treaty. The treaty of 1781 having been annulled by the Directors, the *Nabob* resisted the rigorous exaction of the second assignment, and the Governor General and Council rescinded it also, as being part of the first treaty.

The *Nabob* forms a third agreement; to give one third more in money, cattle, and provisions, than Lord *Macartney* had collected in an equal period in his country, and to procure *Bankers'* security for the payment; or, in failure of his engagements, he stipulated to leave the ultimate and absolute disposal of the country, and its management, to the Directors or Go-

vernor General; which the Government of *Bengal* approve. It is not difficult to imagine the irritable and ruinous uncertainty of such a mode of settling with the ally of *Great Britain*, had it been in times of profound peace, but it happened in the period of famine and warfare, while the country was overrun by *Hyder*. The calculation of the depopulation of the *Carnatic* during that period was sent to me in 1783 by an eye witness of the miseries of that unfortunate country.

The number of inhabitants destroyed within the *Jageer* by *Hyder's*

invasion - - - 1781, 150,000

Died by sickness at *Madras* 1782, 20,000

Ditto, by famine at *Ma-*

dras, inhabitants of it - 1782, 10,000

Ditto, at *Madras*, inhabi-

tants of the country,

forced in by *Hyder* - 1782, 50,000

Died in removing north-

wards from *Madras* in

consequence of the fa-

mine - - - 1782, 40,000

<i>Hyder</i> seized and carried	
with him from the <i>Carnatic</i> , manufacturers and	
youths	- - - 1782, 20,000
Destroyed during the war	
in the different parts of	
the <i>Carnatic</i>	- - - 1782, 250,000
	<hr/>
	Total 540,000
	<hr/>

It appeared so very extraordinary, that I could not have credited any country existing under such complicated misfortune; from all quarters I heard of the merit of the gentlemen who acted on the part of the Company with Sir Charles Oaksley, the present Governor of *Madras*; but ability and humanity could only palliate sufferings; nothing can render the system of assignment and irregular exaction just or politic.

I had heard of that stupendous building, the public granary, at *Tanjore*, and I was led to inquire whether similar establishments in the *Carnatic* and the *Circars*, with other resources of internal good ma-

nagement, had operated during this period of public calamity, while *Hyder* was subsisting on the country, and the supply in the Company's store proved insufficient both for the people and the Government. Every consultation with commercial men preceded the final determination of Lord *Macartney*, by his proclamation, to seize all the rice for the use of Government, at a price *low*, comparatively with the prices given by individuals; this in a degree prolonged the scarcity by decreasing the import; the period was calamitous, and the means of the *Madras* Government were limited, consequently its positive engagements should have been proportioned exactly to its means; the credit of the Company, and of *British India*, could alone make up the deficiency with favour to the distressed of individuals, who risked for the public, even in preference to the Company, when the individuals and the Company became competitors in the market.

The *Circars* and *Bengal* were the sources of supply; gentlemen in the *Circars* were induced to exert themselves by the promise

of being regularly paid at *Masulipatam*; at first they were paid by bills on a *Shroff*, who paid them in *Pagodas*; the second cargo was paid by bills on the Chief and Council of *Masulipatam*, which that Board promised to pay when the *Zemindars* sent in their rents, which was ruin to gentlemen who were paying 12 *per cent.* for *Pagodas* to purchase the rice they had sent on their faith in the *Madras* Government.

Other traders, who had fitted out vessels to import rice, were disgusted by receiving in payment bills on the treasury of *Bengal*; they had no alternative but to discount their *Bengal* bills at *Madras*, with the loss of 25 *per cent.*: these cases can only be accounted for by the Government's want of intimate knowledge of the circumstances of the country. The supply on which the *Madras* Government calculated, and to which their offers were applied, proved infinitely greater than they could make good; but its monopoly of the market after the necessity was past, can be considered only as a sacrifice of political justice to commercial interests; the chief depen-

dance of the *Madras* Government was in succour from *Bengal*, and, by the exertions of Mr. *Hastings* and the Supreme Council, an astonishing supply of grain was sent to *Madras*. In August, 1783, when the dread of famine was over, and the rice market had been opened, without restriction, an order of Government prohibited the disposal of private rice, until the superfluity of the public granary was sold, at the Company's price, which, though not high, distressed the poor people very much, by being twice as dear as the coarser rice, which was to be had in the markets and in the *Madras* road; the merchants, without demurrage, were delayed in the sales of their cargoes, and as soon as peace was proclaimed they sent their ships of rice and flour to the French at *Cuddalore*.

These errors of judgement were of temporary effect; but the system of *assignment* appeared too likely to become the permanent plan of rendering influence productive, and accordingly we have seen, since that period, assignments necessary to realise our deliberate liquidations of the *Nabob's*

debts, and of our demands on him for state exigences and for protection. The *Nabob* proportioned his exactions on his dependants to the demands of his allies, and *British* armies have been since, at times, employed to collect the *Nabob's* rents and tributes; and neither the *British* Government at home, nor its Government in the *Carnatic*, can tell whether the demands were just; and how should they be competent judges, when they are encouraged to believe that, in the history of *Indian* finance, no standard of taxation occurs but the will of the despot? To complete the picture, the *Nabob* had been, during this period, and, I believe, is at this time, a suitor in the Court of Chancery, appealing by legal process to the equity of the High Courts of Westminster to bring the Company to a statement and settlement of their account current with him; this cannot be made the rule of future practice; its necessity must be superseded, for the practice under any modification cannot be decent; it arose from *European* management, sometimes to control the Company, sometimes to blind the people of *England*.

to their rights and interest, and to turn public opinion in favour of servants eluding the Company's control, and even in favour of the Company eluding the rights of the Crown. The eyes of the public have at times been opened by particular acts of rapine and abuse of power, which have been exaggerated or softened by the political regulator of *European* politics or of *British* party.

The rights of oppressed *Ryots* scarcely have access to the Collector's ear, but the *Nabob* found direct access to the *King's* Ministers, which fortunately attached responsibility more immediately upon them; Parliament, by the present act, has completed their responsibility by defining the objects and extent of the Minister's control; heretofore the fluctuation of system, and the periodical changes of opinion, diverted the confidence of allies from the ostensible Ministers to private agents, and if Parliament had not attached to the *King's* Ministers the degree of confidence and power which made it their interest to account frequently to Parliament, and to

explain the rule of connection to which the *King of Great Britain* shall be advised, so often as the occasion shall arise, the intrigues of deluded *Indian* Princes and their treasury would have been brought into action through the proprietors of *India* stock; the politics of *India* would have been regulated by party home-politics, and the interests of *Great Britain* have been managed by invisible *Indian* corruption: but so long as Parliament will enforce responsibility, and frequently examine the practical definition of its powers, *India* will remain an important and permanent resource to *Great Britain*.

C H A P. XIII.

*On the commercial Necessity of a general Plan
for British India.*

IT cannot be doubted that the real interests of the Company and of *Great Britain* depend on the judicious exercise and con-

trol of the powers of the *East-India* act : the Company cannot disprove that a system of waste and extravagance in the commercial department would consume all the profits of commerce ; or that the territorial revenue, which gives the advantages of increased capital, may be perverted into a power of making both the justice and police of the country subservient to the mismanagement of its commerce. I have explained * the general powers of the Board of Control to check the abuse, and to direct the complicated interests of the Company and of the State : I shall state a few circumstances which induced me to insert the opinions of Sir *James Steuart* †, on the practical means of realizing the revenue and commerce without ruining the country. Mr. *Russel* informs us ‡, “ It is pretty well known *now* with respect to the debts owing in *India*, that the greatest part is due *to the natives*, which accounts for no more of it having been drawn home

* Introduction, page xlvi.

† Page 350.

‡ *Short History*, p. 50. 2d edit.

upon the transfer plan. It is evidently wise and politic to leave a considerable debt among the natives at an annual interest : " if so, it becomes doubly important to guard the *India* debt, and to render it applicable to the relief of the country, and particularly to lessen the artificial fluctuation which the realization of the revenues in coin occasions. Advances for manufacture, and even for agriculture, are necessarily in silver ; and the *Zemindar* collecting grain from the *Rayut*, must sell the grain before he makes his payment : *Shroffage* seems inherent in the system, and its fluctuations have proved the source of calamity to *European* as well as to native adventurers.

I perused the interesting letter* by which Mr. *Law* superseded his observations on the necessity of emancipating the superabundance of *Indian* produce from exorbitant freight, and I hope to be excused for inserting, as a supplement to that letter, a paragraph in my possession, by the same

* Sketch of late Arrangements, Introd. p. xxv.

author, from which, in addition to the parts which Mr. *Law* has published*, I had collected very satisfactory information of the degree and influence of the fluctuation of the value of money in *Bengal*. “ I do not observe to you that money is only the sign of wealth, or a measure whereby we compare the value of one commodity with another, consequently its value should be determinate, and not liable to fluctuation : how different is our situation here ! In the month of November last, money could not be lent at more than 8 *per cent. per annum* ; in the month of May it was not to be borrowed for less than 2 *per cent. per month*, at short periods, or more than 24 *per cent. per annum* ; so that its productive value rose upwards of 200 *per cent.* in a month, a fluctuation that would not be credited in any other country : What is the consequence of this ? every commodity which money represents sinks in the same proportion ; the merchant, the tradesman, the artificer, and the husband-

* Sketch of late Arrangements, Introduction, to follow the fifth line of page xxx.

man, are either ruined, or, if able to stand the shock, are taxed in all the amount of the increased value, to add to the overgrown fortunes of usurers and monied men, the drones of the country.

Government suffers in the same proportion, and ever must, while the present system of finance exists; the remedy is obvious, and is of easy attainment; it cannot have escaped you that nothing more is necessary than for Government to give circulation to its own paper issues, by receiving back what it pays, this would at once add a sum to the circulation of the place equal to the whole amount of certificates issued*; to which I might also add the bonds, for both would become ready money, bearing interest, the best circulating medium perhaps in the world. But the subject of finance, however much interwoven with commerce, I must, for many reasons, avoid; I shall therefore briefly observe farther,

* December, 1791, the year in which this letter was written, they amounted to rupees 2,40,90817:10:7.

upon the baneful influence which high interest and quick changes in the value of money have on the trade of the country; that the late rise in the value of money, and depreciation of paper, withdrew from circulation, and of course from the capital of this country, a sum equal to all the Company's paper in issue, which, whilst at par, was nearly equal to money as a facile medium of exchange, but when at a discount, as we have lately seen of 18 *per cent.*, was a losing commodity, that the opulent locked up in their chests to wait for a favourable change, and the merchant, contractor, or servant, who had taken it from the Company as a money equivalent, pressed by their necessities, sold to the usurer as fast as possible, at any loss, to avoid a still greater, who of course withdrew it from circulation until he could sell it to advantage."

A bank, it has been before observed, was established in 1786 * at *Calcutta*; its capital did not exceed 22 lacks; its security

* Page 388.

and control not being defined by act of Parliament, became inadequate to its avowed purposes and to the aid of the industrious. The well-intended support of Lord *Cornwallis* to that institution was founded on an engagement of the bank to furnish a sum not exceeding 8 lacks, at 8 *per cent.*, weekly or monthly. The bank notes obtained circulation in the public offices and in the remittances of the revenue, which enabled them to collect the circulating specie, and whether it was exported by Government, or sent up to the higher provinces by the bank to be coined for its emolument, is immaterial, the specie was withdrawn from the seat of Government, in a degree seriously to affect both the merchant and the manufacturers. Specie lent to the favoured was at the rate of 12 *per cent.* for four months, under saleable securities, renewable three times in the year; and the orders of the Board of Revenue on the Collectors passing into circulation as the merchants remittances of their advances to the manufacturer, if ever they proved anticipations of revenue, unless realized by discount, they retarded the ad-

vances, on the early payment of which the whole of the merchant's success and profits depended: these and other circumstances counteracted the real utility of the bank, and terminated in its total failure.

It will be the subject of serious consideration of Commissioners and Directors, under the present act, to ascertain in what degree a bank is necessary, and under what regulation it may promote the interest of the country and of *Great Britain*. I have stated sufficient to shew that neither the capital nor institution of the late bank was adequate to the object proposed by Sir *James Stuart* in 1772; the opinion of the public since that period has been attracted by different statements, and the control of Government has been directed to connect systems absolutely irreconcilable, because they tend to favour different interests, and by different modifications to perpetuate defective principles. The present act has confirmed the exclusive trade of the Company in articles heretofore of close monopoly; leaving therefore to others their own opinion, I shall give the result of my private

inquiries, both as to the object and extent of the Company's authorised preference, and hazard an opinion as to the best arrangement under the present act to collect the investment and maintain legalized monopoly.

Investment of Piece Goods.

In the first place, it is admitted universally, that without advances to the manufacturer no goods can be obtained; the money advanced to the weaver is in great part advanced by him to the spinner, who cannot obtain cotton without advancing to the farmer; what is retained by the different people is to ensure subsistence by cropping their land, or by purchasing rice; thus the advance for manufacture, in fact, influences the general prosperity of the country: when they are not made in time, the weaver cannot afford his thread, which he would wish to do by letters for warp and woof; and private merchants, *British* or foreigners, wait the Company's advances, lest the Company should seize from the

looms whatever goods they found, whether they were begun on the Company's advances or not, therefore if they ventured to make advances, they strengthened themselves on the privileges of foreign companies or on the privileges of *English* subjects; and these bickerings were often magnified by their transit to *Europe* into great national questions, or became subjects of declamation or of crimination. The various systems of management by which the investment has been collected did not appear so defective in principle as in practice; too much depended on the individual ability and honesty of the Company's agent. In the end of 1786, I was introduced to Mr. *Smith*, a gentleman who had managed a district of weavers according to his own way, and the hasty minutes of a conversation on that subject, he obligingly put on paper at the time, were literally as follows :

“ The advances are made in specie (nominal) of the district, in which there is always a loss; this might be rectified by establishing only one coin throughout the

provinces. At the period of advancing, the weavers were assembled at the *washing* or *head factory* of each division, and *there* paid their advance, having at the same time delivered to them a paper, called *Hand-bill*, as their *account current*, in which they were debited for the sum paid them, and which they acknowledged afterwards to the person keeping the *English* accounts, who checked off; they also at the same time acknowledged their *balance* of the former year, and if they had suffered any grievances, then stated them.* After this check they went home, and as they delivered their cloth, received a *deposit receipt* from the *Gomastah* of the division; when their cloth was valued at the washing factory, their account could be made up; frequently the cloths were returned, being too bad. Previous to the valuation of any cloth for the year, a meeting, by order, was held at the head factory of all the weavers, that is, each division sent two, three, or four, as they pleased, to represent them; they were generally two days adjusting the price of the cotton thread, endeavouring to obtain as large an allow-

ance as they could, although they ought to have had the real and true price only; in this article they were always gainers considerably. The price of the thread adjusted, the whole was completed, and the paper was drawn out stating particulars; thus the value of each piece was ascertained, the weight, length, breadth, and number of threads constituting that breadth were set down, and the price of the cotton per *Seer*; to this was added the fixed price allowed for weaving each piece, and the true price of the best piece that could be made was settled. The weavers then endeavour to impose: I have known one sixth, nay one fifth, of the number of threads deficient, consequently the piece must be inferior; for the valuation I employed brokers, at an allowance per piece, and they valued in the presence of all who chose to attend; some weavers were always present; they made a proportionate value of A, B, C, D, &c. thus they could do their business with ease and expeditiously. I am clear, if the Company adopted this mode throughout their whole provision of investment, that they would pro-

cure in general better goods and cheaper, after allowing their agent commission of *5 per cent.* in cost and charges, and $\frac{1}{2}$ *per cent.* for losses, as some must happen and balances accrue, the agent swearing he will not act otherwise than for the advantage of the Company, to the best of his ability. I apprehend the difference between the Company advancing themselves through factors to the weavers on a *5 per cent.* commission, payable at the end of each year, would be a gain of *10 per cent.* to them, because contract includes charge, cost, and profit; providing through agents, produces a larger quantity of goods from the weavers for the proportionate amount, and the charges are monthly only, the *10 per cent.* profit is therefore an extra quantity of goods. The same fixed servants for the provision of 30,000 pieces of investment can get up 5 lacks, the estimate therefore is thus: 5 lacks at 3 rupees cost in a medium from the weaver, and 1 rupee charges for servants, repairs, profits, transportation, &c., is 4 rupees a piece, making 125,000 pieces in contract: now, I imagine that 60,000 rupees would do for all

expences, consequently 4,40,000 rupees advanced, produces at 3 rupees 1,40,000 pieces, or 21,000 pieces gain from this, at 4 rupees, 84,000; deduct $5\frac{1}{2}$ *per cent.* commission on 5 lacks, 27,500, leaves 56,500, or 10 *per cent.*, profit. This calculation will hold through the whole investment, but not under a provision of 5 lacks in fine goods. The advances should be made regularly, and the expences paid monthly, to fixed servants; to others, as necessary for the best management, the profits on the defective goods sold by auction will return a great part of the expences at the end of each season: the expences might be 10,000 rupees more than the above estimate: this is only a rough estimate.

Originally the weigh, number of threads, length and breadth, and the price fixed for weaving, was the mode by which the whole investment and all the clothes were provided; it has latterly been much out of use, though in some places partly endeavoured to be kept up. The management of the *Aurung* of which I had charge was as follows: The whole was divided

into seven parts, termed grand divisions; these divisions were again divided into others; at all these divisions, about thirty-one was a *Gomastab*; those at the grand divisions were superintendants of the others in their division, and had the charge of bleaching and dressing the cloths of their divisions, and of conveying them to the grand magazine, situated on the banks of the river, in order to their being transported to the Company's warehouses when a sufficient quantity was collected; each *grand division Gomastab* had also under him a *Mohirir* and *Naib*, or clerk and assistant, to enable him to keep his accounts exact. The *Gomastabs* of his division had only to collect into their *Cooties*, or factories, the cloths from the weavers, rough as they came from the loom, to mark thereon with charcoal the weaver's names, and to forward them to the *Gomastab* of the grand or washing division, where they were valued, and the weaver's name and valuation recorded: the cloths were then delivered to the washermen to be bleached; there were *Tigagars*, bathmen, who went from house to house to inspect the work,

and see it was getting forward. I effected a complete register of the weavers under the whole *Aurung*, particularizing names, and the number of men and looms in each house; thus I could form an estimate what sums were necessary to be advanced to each family; these advances ought to be made twice in the year, the first in or about January, and the other in or about July, the investment would then be got up without difficulty, so as to come home in all February following.

After the advances had been made a reasonable time, a month for instance, and few or no cloths brought in, and they were wanted, every *Gomastah* was written to, to notify to the weavers, that if they did not supply as they ought, *Mohuffils** would be placed on them; they generally took no notice of this, therefore *Mohuffils* were sent out. In my register were about 6,000 families of weavers; about 50 or 60 *Mohuffils*, twice in a year, being on each advance, was sufficient to answer the purpose of

* *Mohuffil* signifies arrest.

getting in their cloths in general, because *Mobuffils* being sent out, spread through the *Aurung* in a few days, and the weavers brought in their cloths to prevent *Mobuffils* being placed over them, and those sent out were generally dismissed by the *Gomastah* in a day or two. There are good and bad in all bodies of men, and among these weavers it was sometimes necessary to send out *Mobuffils* to act as he ought, that is, not permit the weaver to do other business till he had finished his quota of cloth, so that severity was in some instances absolutely necessary. When I was first appointed to my station, I disapproved of the *Gomastahs*, as was, and had been, the custom, placing *Mobuffils* at their pleasure, and ordered that no *Gomastah* should do it, on any pretence, in future; that they should address me for orders, and if I saw it to be proper, I would place them. For this purpose I had a seal cut large in the *Persian* characters, the impression of which was made in ink on the *Mobuffil Chitty**, and to which was also my signature and

* *Chit*, or *Chitty*, is a letter in writing on paper.

date in *English*: the particulars were in *Bengalese*; weavers names, village, *Cootie*, pieces advanced for, pieces received, and balance; and then recited, "you are a person advanced to; make haste, and deliver your goods according to your engagements." This was delivered to a *Peon*, who had his name set down at the back of it as *Mohuffil*, and then entered in a book; when he arrived at the *Cootie*, the *Gomastah* could discharge the *Mohuffil* on any sufficient reason, and was then to endorse at the back of the *Chit* the number of days that he had acted, for which the weaver paid him 7 *Puns* of *Cowrees* per day, (4 *Puns* are an *Anna*), and the *Chit* was then brought back to the head factory and put on a file in case of reference. Several weavers indebted in large sums would abscond, and when found out by my servants, and I had sent *Peons* to apprehend them, have applied to the *Fougedarry*, complaining against *Gomastahs*, *Peons*, &c. and I generally could not in such cases effect their being brought to me, although my people, acting by my orders, had authority for what they did; I for what I did; and thus

the weaver complaining, fought the *Fougedarry* against the factory. By this sort of business the *Aurung* was thrown into confusion, every man being willing to keep what he had in advance, and it was impossible for me to do otherwise than complain, for the *Tamadars*, the force of the country, were ordered to protect these my debtors against me, by which I lose some 8 or 9,000 rupees, as these disputes were never settled wholly."

From the above information, I was enabled to consider the pretensions of the different competitors for the labour of the manufacturer, and to estimate the importance of good administration. If the Company will not, at all events, provide advances for the manufacture, at proper times, and to certain amount, the country, as well as *European* traders, will suffer. It is clear that if the power of arresting a debtor is withheld, and the power to appoint *Mosuffil* to secure advances is also forbidden, and an appeal to *Adaulets* and *Fougedarries* is made necessary in every case, the merchant would be ruined; to

give the power to every merchant is impossible; to give the power to certain classes of merchants would institute petty monopolies, which would become great monopolies. The Company, to the extent of its advances, becomes entitled to the preference, because it can apply the revenue in aid to commerce, and to the well-being of the natives. It is not of importance to estimate the proportion of the manufacture which past advances have covered, the irregular advances and demands of the Company enable very different statements to be made in different years; it cannot be disputed that manufactures can be pushed to any extent to which advances shall be made, for cloth as well as for other manufactures and produce; but it is equally obvious, that the occasional market, opened by an *American* or *Imperial* ship, cannot be the foundation on which even sugars can enrich *Bengal**; nor ought the agriculture to depend on *fortunate* contingency † of droughts on the

* Sketch of late Arrangements, p. 73.

† Ibid. p. 66.

Malabar coast; nor the salt districts or *Sunderbunds* of *Bengal* be deserted to extend the sale of bay salt from the coast. It is known that competitions in the *Mofussil* are not so much with foreigners as with *English* under foreign names; these cases may be all considered independantly of each other: a very simple addition to the register of the Company's commercial agent might complete a district register of all advances, and it would be to the advantage of foreigners and merchants often to supply themselves from the Company's warehouses, at a fixed per centage on the *Aurang* cost and charges, in lieu of interest of money, loss, &c. The only requisite checks appear to be, an immediate control of the exports by the Supreme Board; an absolute prohibition to the Comptroller and, his deputy engaging in any sort of inland trade; and a general prohibition to the indirect trade of the Company's revenue servants, and to the commercial agents' trade in those articles which compose his provision for the Company, under pain of immediate dismissal of the service; to insist on balances being paid in

no other way than by the articles contracted for; and to give weavers, not under advances, the option of their employer.

The delays of weavers are not always fraudulent, sometimes to ensure subsistence they will lend to the *Reyuts*: those who have not *Tuccavee*, or advances, must borrow of *Shroffs* or of manufacturers, and the manufacturers often receive $2\frac{1}{2}$ per cent. per month if they can delay their contract. The composition of balances has proved in all periods and in all branches of management, the source of oppression and speculation; before the Company's administration, the *Rajah* of _____ was kept up to his chin in ordure to make him pay his balance; he held out till his *Vakeel* returned from *Delhi*, where, by a bribe of 19 lacks he avoided paying 45 lacks. Renters now employ agents to gain allowances, or to suffer punishment for delays; and instances have been stated to me of an agent having submitted to several floggings before he produced the required payment from his girdle of which his employer had feed him to sue the remission; none of

these abuses and horrors need exist under a simple system: to perpetuate unequal assessment and ignorance of internal management, is in fact to perpetuate speculation; and partial reforms are both ineffectual and oppressive. I may include what is farther necessary to be considered in an attempt to simplify the system in some observations on

MONOPOLY.

SALT, the first article so denominated, has always been the source of opulence to individuals or to Government; it is stated to have been a monopoly, better controlled for the benefit of the people by the *Mogul*, than by the *British* Government*; the *Zemindars* appear to have had the management of the *Mahals* in their districts, for on that title the Company began their claims, and resumed them on the principle of engrossing every stage of profit, even to affect the hereditary employment of salt

* *Bell*, Vol. I. p. 174.

merchants in those districts*. The Government duties on salt, as I before remarked, were reserved by *Meer Jaffer*; but the will of the conqueror decided the amount. Mr. *Vanfittart* had agreed with *Meer Cossim* to pay 9 per cent.; going down the river, he inquired of the boatmen, who informed him that they paid 25 per cent., therefore he supposed all above 9 per cent. to be *Zemindary* imposition, and he applied to *Meer Cossim* to equalize the duty at 9 per cent.; Mr. *Hastings* alone concurred with him, and the majority settled the duty to be 2½ per cent. †. The importance and extent of the object cannot be well understood without a particular inquiry; and the salt monopoly being on all occasions inveighed against in a political and commercial view, it will be more conclusive to state what it really is, and insert an abstract which I made of Mr. *Grant*'s analysis of the revenues of *Bengal*, when I examined his communication on the salt re-

* Fourth Report Select Committee, 1772, p. 460.

† *Vanfittart*, Vol. II. p. 399, 165, 193, 140.

venue, presented to the House of Commons in 1789 by Mr. *Dundas*.

“ Mr. *Grant* observes, that *Sunderbund* by some persons is derived from *Soondery*, a wood which abounds there; by others from *Soonder*, beautiful woods and jungle; but he derives it from *Chunder-bund*, or offspring of the Moon. The best and richest *Sunderbunds* are in the *Pergunah*, *Chunder-deep*, or lunar territory, salt marshes, for the most part overflowed by the sea.

The district of salt lands in which the *Bengal* manufacture is carried on, for the sake of distinction, he terms *Noondeep*; it borders on the sea coast, in a curve, stretching across the mouths of the *Ganges*, about 330 *British* miles from *Tellapore West*, on the frontiers of the *Chucklab* of *Midnapore* in *Orissa*, to *Islamabad*, the port and capital of *Chittagong*, near the south-east extremity of *Bengal*; it comprehends, inclusive of the *Sunderbunds*, an area of at least 7000 square miles, in continent or islands comprised in the general dimensions of the *Soubah*, and always of considerable

political importance as a strong natural barrier against foreign invasion ; as yielding the necessary article of salt for home consumption, it appears to have been the source of oppression, whenever corrupt *Fougedars* and a few *Mogul* or other merchants possessed the whole trade ; the country then supplied irregularly, and the larger body of natives employed in this, as in every other branch of commerce, merely as their brokers, *Shroffs*, or agent *Banians*, with indefinite commissions ; they settled at their discretion the Sovereign's rights to the waste, to the timber, and his allowances for maintenance of works and pay of *Molungees* and boilers, who are kept constantly in pay, and receive, besides an allowance of at least one rupee *per mensem* each while employed as usual, in their fix dry months occupation, a farther constant annual full subsistence, in free produce land, set apart for their maintenance, under the head of *Kharje Jumma* of *Chakran*, or servants, to be cultivated by themselves ; all these allowances became the benefit of individuals instead of the state, though it is certain

that land so possessed, assisted by labour so purchased, is as much the civil right and saleable property of the Sovereign as the natural yearly growth of those lands termed *Kbafs* and *Comar*, occurring every where daily throughout the country, which, becoming for a time untenanted, are cultivated by hire or contract on the special account of the state. The virtue and political economy of *British* administration in *India* ought to be acknowledged at least in the instance of the resumption, with improvements of this hitherto misapplied source of public supply under the head of *Feroosh Nsmuck*, or sales of manufactured or purified salt, at all periods charged with a duty on the country, but only realised in the Exchequer since the year 1780. The annual consumption of *Bengal*, estimated at 20 *Lacks* of *Maunds*, each of 80 pounds weight, is produced by the labour of 45,000 *Molungees*, who, with superiour agents, including all expences paid in money, were entitled to an allowance of 20 rupees, usually advanced by contracting merchants, besides what was deemed equivalent to 40 rupees more, furnished con-

stantly in hand, was returned to the state by the original standard price of delivery at *Houghly*, first latterly at 60 rupees per 100 *Mauuds*.

The benefit of the manufacture was afterwards enjoyed by a few *Mogul* monopolists, whose chief was denominated *Fakher ul Tejdar*, most exalted of merchants, and the price enhanced in the different markets of the *Soubah*, on a medium to, at least, 1 rupee the *Mauud*; but since the annexation of *Babar* to *Bengal*, the home consumption has increased 8 lacks of *Mauuds*; for, before that event, *Babar* was, and the greater part of upper *Hindostan* is still, supplied with salt from the lake of *Sambhar*, in *Ajmere*: at present not only *Babar*, but some export of salt to *Asbam* and *Napaud*, and other neighbouring inland states, has been opened, and may be extended.

The extra demand was at first imported from the coast of *Coromandel*, in what is called *Madras* or *Bay* salt, of baser quality and value, being produced by the simple operation of the sun on sea water, intro-

duced into shallow pits, prepared near the shore, but on the establishment of the private Society in 1765; and since again, on the institution of the present public plan, it was found expedient to prohibit this branch of *Indian* coasting trade; and now the whole quantity, in yearly demand being on a medium 28 lacks of *Maunds*, is manufactured in proportion of one third in the *Ceded*, and two thirds in the *Dewanny* lands of *Bengal*, for the use probably of *ten Millions* of souls there, and one fourth of that number in *Babar*, imposing only a moderate charge for one of the comforts of life, at the utmost calculation of six and a half *Annas*, or 13 *Pence* each individual per annum, allowing the gross sales, inclusive of all expences in sicca rupees, fifty four lacks and one half.

Feroosh Nemuck, annual grois

sales of 28 lacks of *Maunds* S. R.

salt continued - - - - 54,50,000

SERINJAMMY Charges of Manufacture and Sales.

1. *Dadney Molungian*, original complete advance of wages now paid in money to about 60,000 salt manufacturers of all denominations, engaged for the dry season from November to May following, at the rate of about 40 rupees per 100 *Maunds*, being near 3 rupees each person per mensem for 6 months moderate labour - - - 11,20,000

2. *Akberajat Aurung*, expence of transportation to the place of sale, weighmen, erection of store houses, purchase of utensils requisite for carrying on the works, &c., with all contingent charges, on an average - - - 450,000

3. *Rusfoom*, or commission of 10

per cent. to *European* superintendants on the nett proceeds, supposed 38 lacks 380,000

————— 19,50,000

Total net annual sales of salt, requiring always an advance for 18 months of 15 lacks of rupees to answer charges, before complete returns can be made to Government, which, since the year 1781, has resumed its right to the net profits from the manufacture. The limited part, previously brought to public credit, was under 3 heads, which have been continued, being adequate to the purposes of account and of check of agency, to be deducted from the whole clear produce, amounting to - - 35,00,000

MIRIHA.

TEHSIL SOUBANDARRY. *Collection of
Revenue to the Year 1170, or 1763.*

1. *Hassil Kablarry*, making part of the *Bundobust Teskbees* of *Meer Cossim*, including the *Tomarry* or original ground rent of all the salt lands
2,25,000
2. *Mbasool Sair*, duty on all the salt, imported, manufactured, and consumed in *Bengal* and *Babar*, &c., reckoned at 28 lacks of *Maunds*, at 2½ per hundred *Maunds* 70,000
3. *Keffyet*, or usual profit of the *Circar* on the delivery of 8½ lacks of *Maunds*, made in the district of *Hyclee*, and credited in the *Jumma* at the standard valuation of *Houghby*, after deducting a lack of

rupees as the proportion of
ground rent received as above
2,50,000
Total revenue of falt, ac-
counted with the state to 1170
or 1763 Rupees 5,45,000

TEHSIL DEWANNY. *Additional Collections*
from 1172 to 1178, or 1765 to 1772,
inclusive.

1. 2. *Haffil Nemuck*, as estab-
lished at the end of *Mahomet*
Reza Khan's administration
in 1771-2, being farther *Kab-*
larry and *Rowanny* duties as
already stated, exclusive of
the *Mhasool*, 2 and $\frac{1}{2}$ per cent.

12,95,000

Total net rated collections,
made on account of falt, to
1187 B, or A. D. 1780,
though perhaps never fully
realised before the excellent
simplified institution of that
year - - - - - 18,40,000

3. *Baky Keffyet*, balance of profit arising on the moderate original selling price of salt, before appropriated to partial benefit of individuals, but now, with great propriety and justice, resumed and incorporated with the public revenue. Sicca rupees 16,60,000

By the distinct heads of native accounts, the monopoly of *Cojaah Waxeed*, protected by a duty of between 40 and 50 *per cent.* on imported or foreign salt*, under the *Mogul* Government, may be investigated; and British monopoly or revenue may be both investigated and controlled; but the *British* accounts having confounded ground rent, manufacture, and trade, the general balance of profit or loss has been ascertained by opposing gross receipts to gross disbursements; and the result will thereby appear as follows: for the first two or three years, after the acquisition of the *De-*

* Extract from the Report of the *Nazim*, in 1776, on Salt.

wannee the profits of salt revenue were about 130,000l; in 1775-6 the charges exceeded the receipts 1500l; and subsequent to the resumption of the rights of the state in 1780 the profits have exceeded 600,000l.

The political and commercial objections to the present salt monopoly need not lead us to the controversies of Mr. *Hastings* and Mr. *Francis* previous to 1780. Mr. *Hastings** admitted, that the changes in departments had given great advantages to the artifices of individuals; that the intricacy of accounts, by successive transfer of salt from Collectors to the President and Council, from them to the Governor and Council, and from them to the Commercial Board, had occasioned much perplexity; that the defective system of sales had occasioned great losses, and that the import of coast salt had thereby arisen to great extent; that the measure of the Commercial Board to check the import of salt, by glutting the market with the sale of 3 years produce

* Ninth Report, Select Committee, 1783, Appendix 91. Mr. *Hastings*'s Minute, 19 Sep. 1780.

at one time, equally affected the import and the manufacture; and when he proposed the reform in 1780, the *Calcutta* Committee could not let the salt *Mahals* at any rate.

It is evident that the advances or outlay for the manufacture is beyond the scale of private adventure, and the supply of so necessary an article ought not to depend on chance; when the consumption of a country can be estimated, it is obvious that a provident Government will provide an excess, to be able at all times, to distribute the salt at easy prices to the inland districts. The checks seem obvious;—if Government, to save advances and charges, manufactures less salt than the estimated demand of the country, and sells the reduced quantity at an advanced price, it realises the revenue, but defrauds the country; the quantum of the extortion will appear on the face of the accounts: if the proper quantity is manufactured and averaged through the country, the temptation to distress the frontier districts, by exporting inland the salt intended for home consumption, can be checked by judicious distribu-

tion, and the export should be under the control and on the account of Government, not rashly to be extended. In no political view can it be policy to abandon the internal consumption of *Bengal* to a precarious supply ; and we must remember merchants have less interest in the supply of the country than the Company, and will not be content with less profit. If salt shall be raised to 4 or 5 rupees *per Maund*, it must be from ignorant or corrupt mismanagement, and is easily corrected ; but the extortion of merchants is not easily distinguished from natural scarcity by an improvident or ignorant Government, and cannot be controlled without much investigation and judgement, even when inquiry is instituted with integrity and humanity.

As to the other articles of monopoly, *Saltpetre* and *Opium*, they stand on very different grounds : their produce do not materially affect the country or the revenue, and notwithstanding it may be true that the district of *Patna* furnishes *three* fourths, and *Purneah* and *Oude* the remaining fourth part of the saltpetre collected for the Com-

pany, it is not to be thought that it might not be obtained in other parts of the country ; and it must be considered a monopoly in the hands of the Company as a commercial body, and should be maintained at the charge of the Company, by which I mean, that the territorial revenue need not necessarily make advances for this species of produce from the soil, but merely to pay tenants after fulfilling their engagements according to contract : thus the advances of Government should be limited to the manufacture of cloth, salt, and produce of grain ; all other articles ought not, and are not taken in kind, but when cultivated, the assessed rent in coin should be substituted to the legal and customary tender of the portion of produce.

Saltpetre necessarily will be always an article of importance to the Company, both for the supply of the *Indian* establishment, and for its import to *Europe*. The regular replenishing of Government stores, by the Company, may be made in itself profitable, and the superabundance may be

sold to profit : as a commercial concern, the above constant demand will be a sufficient encouragement, without the aid of rigorous exclusion of competition in the inland market. The comparison of *German* and *English* powder shews the difference of a supply by contract, partly paid in damaged powder, or by manufacture in the laboratories of arsenals, where the purity of the ingredients cannot be evaded. The regular supply does not require monopoly : the natives could supply any quantity on timely notice ; but this article, from its nature, should remain more than others under the control of the Government ; and in this view the right to monopoly, founded on usage, ought to be exercised according to circumstances.

As to *Opium*, unless not only the whole produce of the article in *Bengal*, and also all the produce of *Oude*, is subjected to the Company's monopoly, the *Vizier's Opium* will open evasions ; and therefore it appears better to give up a monopoly which sanctions improper interference in the cultivation of the country, than to extend its influence.

The Commissioners authorised by parliament, will not overlook this obvious consideration : they will also trace the degree of its importance as an article of export from *Bengal*, and of import in the markets to which it is sent. I only endeavour to demonstrate the necessity of accurate investigation, and am satisfied that my inquiries authorise this conclusion ; that every article of management may be reduced to very simple and practicable rule, but that the inequality of offices, and inequalities of assessments unnecessarily maintained, are the sources of corruption and abuse. I have endeavoured to trace principles, and to shew their consequences when reduced to practice ; it will be necessary therefore to remember, that I am satisfied that the collector of revenues, whether *Zemindar* or covenanted servant, in the *British* as well as *Mogul* system, ought to be paid by a per centage ; that collections should be as regularly divided, in extent of income and in trouble, as possible ; and that the arrangement of collections need not confuse the rights nor tenure of any *Pottab-holder*, or *Reyut* : that the agents superintending the

manufacture of cloth or salt, might also be handsomely paid by a per centage, but that the quantum of the per centage, whether equal in all, or varied in the different branches of revenue as at present, must be the result of deliberate consideration, as must also the distribution of inspection of superiour Boards. I conceive that a landed revenue Board might control all the collections of territorial revenue, and the commercial branches, in which advances are necessary ; for where manufactures can be best promoted, an investment agent might be appointed : where salt is the manufacture, a salt agent might be appointed ; and where there is no manufacture, advances to the *Reyut* must be made by the *Zemindar*, or the collector. The consignment of goods and the trade, both import and export, might become a simplified system, under the head of foreign import and export ; for no inland trade, according to such plan, would be subjected to Government taxes, except salt and grain ; the one operating as an excise by the sale of salt, and the other as a provident regulation to avert famine and encourage agriculture, by the

management of public granaries, and the regulation of *Bazars*, on certain report of the circumstances of the country, and recorded evidence of the supply of grain in every district. It is no wonder Government has been puzzled, and that orators have not found limits to their imagery.—Merchants, who are oppressed with vexatious restrictions in the branches of trade which are left to them, are not unlikely to exaggerate ; but commissioners under the present act and directors, must investigate and discriminate real from artificial grievance, and draw the line of policy and justice : by some representations it might be supposed, that the prohibition of import of coast salt, was a prohibition of the rice trade. A zealous advocate for the encouragement of agriculture in *Bengal*, admits that under the discouragement of the export of grain freighted in vessels which return empty from the coast, the corn trade has produced, one year with another, 20 *per cent* profit*. We have known the extent to which the *Bengal* provinces af-

* *Agricola's Letter 5, p. 27.*

forded rice to the coast in 1782; and I have heard that the price of rice rose in 1783 on an embargo being laid on its exportation. The danger of letting in *European* speculation uncontrolled into inland trade, may be evidenced by the consequences of the partial inundation in 1787 in *Bengal*; rice was then advanced 10 *per cent.* higher in price than it had been during the real famine of 1771. If Government is either ignorant or corrupt, the people are equally exposed to fictitious and to real scarcity.

Having brought to view the necessary connection of financial and commercial interests of *British India*, I must not omit to state, that a subserviency of the interests of commerce to the political limits of the Company's settlement at *Calcutta*, self-erected into an independent kingdom, formed part of the phantom which vanished when the veil was drawn from *Indian* politics. The artificial denomination of import and export to and from *Calcutta* by shipping, and the import and export by boats to and from *Calcutta* inland, to engross, according to circumstances, all the

exactions of which *European* and *Mogul* practice could afford a precedent, proved unprofitable to the Company, and cannot be maintained in any degree under the present act. I have inserted the revenue regulations of *Tippoo Sultaun* to guide our view of a native government, from my conviction, that if a *despot* finds the necessity of reducing his government to definite rule, a *British* Parliament will not be satisfied with emulating his justice, but will also avert his oppression. The coasting trade of *British India* might be extended to considerable importance; it was but the other day that *Tillicherry* was to be abandoned; and our present more-extended prospects of benefit from the *Malabar* coast did not arise from the commercial views of Directors or Government, but from the honourable principle of Lord *Cornwallis*, who would not desert the *Corgee Rajah*. And notwithstanding *Curwar* and *Mangalore* remain to *Tippoo*, and we have not a port south of *Bombay*, a provident use of the coast south of *Mount Delhi* will amply repay the protection of the whole *Malabar* coast. *Baliapatnam* was

the emporium for the rare produce of *Corgee*, and the southern branches of its river penetrate through the *Cherickel* country into *Cotiete*, therefore *Baliapatnam*, or the *Great City*, might again acquire more than nominal greatness, and the produce of the country, now carried over land to *Tillicherry*, might, with many other articles, be conveyed by water. On the same principle of local convenience, *Beypour* has the advantage of *Calicut*; and formerly the *Zamorins'* dominions supplied the dock yard at *Bombay* with the best timber for building and masts. Among the favourable prospects of commercial speculation opened to *British India* may be reckoned the decay of *Tippoo's* commerce, who possibly was advised to imitate the Company's late fluctuating policy and monopoly. It has been observed by a gentleman well informed, that *Tippoo*, by his extortion, has lost half of the revenue from commerce which his father received; for *Hyder Ally* concurred in *Tippoo's* political opinion of the propriety of checking *European* trade, to throw the specie into the hands of the *Muscat* merchants; and he loaded the com-

merce with heavy duties, which produced a considerable income; but since 1782 the commerce has been totally sunk, and with it *Tippoo* has lost his duties. If the policy of *Hyder Ally* had operated on the coast south of *Mount Delhi*, he probably would have monopolized the *Pepper* and *Cardamums*, and left the other articles open to all traders paying heavy duties. Under *Tippoo's* policy, his father's monopoly would be maintained at the smallest expence, by lowering the salaries of the managers at the ports of export, and their necessities would oblige them to participate in the abuses which their duty directed them to check; and if they realised the limited monopoly on behalf of *Tippoo*, they would monopolize all the other articles on their own account in the name of native merchants, at first by arbitrary duties on the trade of others, balancing their official accounts, and exempting their own concerns from duty, till the whole trade would absolutely vest in their hands, and the trade becoming unprofitable to the importer, would be abandoned; and when no part of the open trade remained, the Govern-

ment monopoly would be perverted to the benefit of the officers, and probably, by similar connivance with natives or foreigners, scarcely sufficient profit would be spared to the sovereign to enable him to defray the miserable stipends of the establishment. These consequences might be instanced in the Company's former system; but the present act, properly exercised, cuts up the source of this evil; the participation of profits cannot be maintained without gross perjury, from the Directors downwards, and the penalty and conviction is simplified; there is, however, only one plain and honest way of managing this department, which will apply to all others: give a salary adequate to the trust to the officers necessarily established; subject all articles of import or export to equal privilege or to equal duty in all the *British* ports of *India*; the duty on goods imported by the Company should be brought to account with vouchers, as well as private adventure; an Inspector General of imports and exports should annually make up the general account of all the settlements to be sent home by the Governor General.

The Company's commerce would not be more burthened than it is at present, but the accounts would check fraud, and register the actual state of the commerce. But to suppose that a country can prosper under monopoly of all its produce, or that officers will give up the prime of life without the hopes of earning a reasonable income for their latter days, cannot enter into the contemplation of Commissioners, or of Parliament, consequently the whole of the commercial establishments must be carefully, but liberally considered, and connected with the general system : it will be difficult for theorists to substitute powers more adequate to this purpose than those which have obtained parliamentary sanction, if exercised with intelligence and probity.

CHAP. XIV.

On the Benefit of Parliamentary Control.

AFTER Lord *Clive* had stated the necessity of control to preserve the principles of Government in *India*, endangered by licentiousness, extortion, venality, and by whatever *eludes*, though it may not totally subvert, the laws*, the Company thought it necessary to adopt very arbitrary rules, which they promulgated in general orders† to narrow the appeal of covenanted servants to justice, denouncing immediate dismissal from their service to every servant who should go to *Europe* to institute a suit, or seek redress for grievances: and had the covenanted servants, according to these orders, remitted their complaints, perhaps through the very person complained of, no rule or period was limited for their expectation of the determination of the Directors. In 1785 the Directors

* Vide page 310.

† In 1771 and 1778.

not only informed the governments in *India* that if “copies of any papers, correspondence or records, shall be discovered with any persons not warranted to have them, at home or abroad, we shall take measures to discover by what means the communications have been made, and dismiss from our service those who shall have made such communication,” but also denounced “the severest tokens of displeasure to those who disobeyed their order to discontinue unreserved correspondence with private persons on public affairs.”

Parliamentary investigation demonstrated that the act of 1784 could not be developed and executed in mystery; the records of the Company were opened to committees, and their contents made the subject of parliamentary debate. Mr. *Macpherson*'s recorded opinion was quoted* by Mr. *Francis*. “I should be particularly happy to see the Committee in a capacity to execute these important duties, independent of that general agency and improper

* Parliamentary Debates, vol. 39, p. 108.

authority of a native *Dewan*, or, in plain *English*, native Chancellor of the Exchequer." The opinion on which this expectation was founded was referred to in the House, soon after its arrival in *Europe*, by a Member of the Board of Control*, and those who got access to Mr. *Grant*'s analysis of the revenues of *Bengal* were encouraged to proceed, by being informed in the first page, that evidence of the mismanagement of natives had been kept back, and the stale excuse of the troubles of *Cossim Alli* had *till then* been accepted as an apology for withholding vouchers; and that "the act of 1784 may be considered truly as the *great charter of rights*, if not to the whole body of national representatives in *Asia*, at least to all *East-India* subjects of *Great Britain*, who enjoy the inestimable advantage of living under a delegated sway, thus tempered for the first time in *Hindustan*, with the mildest influence of practical enlarged distributive justice."

* Lord *Frederick Campbell*. Parliamentary Debates.

“The law as yet seems only declaratory as to the necessary responsible agents between the *Prince* and the *peasant* for managing *Zemindary* or landed interests of the state, restoring right and jurisdiction in all their plenitude according to the constitution of *India*; every hint to ascertain the nature and mode of management, former and actual amount of the established revenue of the *Soubah* of *Bengal*, will be connected with the honour of the *British* nation.”

Dr. *Robertson*, in 1791, had observed, in his note * concerning the tenure by which the *Reyuts* of *Hindostan* hold their possessions, “although it be a point extremely interesting, as the future system of *British* finance in *India* appears to hinge in an essential degree upon it, persons well acquainted with the state of *India* have not been able thoroughly to make up their minds upon this subject †.” “Though

* *Historical Disquisition concerning India*, p. 346.

† *Kirkpatrick's Introduction to the Instit. of Ghazan Khan*.

the opinion of the Committee of Revenue, composed of persons eminent for their abilities, leans to a conclusion against the hereditary right of the *Zemindars* in the soil, yet the Supreme Council, in 1786, declined, for good reasons, to give any decisive judgement on a subject of such magnitude. This note was sent to the press before I had it in my power to peruse Mr. *Rousse*'s ingenious and instructive dissertation concerning the landed property of *Bengal*; in it he adopts an opinion contrary to that of Mr. *Grant*, and maintains, with that candor and liberality of sentiment which are always conspicuous where there is no other object than the discovery of truth, that the *Zemindars* possess their landed property by hereditary right." In the former part of this note *, that learned and much-lamented historiographer to His Majesty had stated, " that the Monarchs of *India* were the sole proprietors of land, is asserted in most explicit terms by the ancients: the people (say they) pay a land tax to their Kings because the kingdom is

* Historical Disquisition, p. 344.

regal property *. This was not peculiar to *India*; in all the great monarchies of the *East* the sole property of land seems to be vested in the Sovereign as lord paramount." After being apprized of the publication by the Secretary of the Board of Control, he waves giving an opinion: " Did I possess such knowledge, either of the state of *India* or of the system of administration established there, as would be requisite for comparing these different theories, and determining which of them merits the preference, the subject of my researches does not render it necessary to enter into such a disquisition."

The supplemental information on which Dr. *Robertson's* opinion, waved in opposition to his own researches, have been demonstrated in the preceding pages to be unfounded; and it does not appear that he was correctly informed of the judgement formed in 1786. He might even have had access to the Directors' letter of the 12th

* *Strabo*, lib. xv, p. 1030. *Diodorus Siculus*, lib. ii, p. 153.

April, 1786, to the Governor General and Council, without being relieved from his perplexity, for it might be read by Sir *John Macpherson*, the Governor, to whom it was addressed, as a complete explicit approbation of the retrenchments stated in the *Bengal* inspection letters, 25th March and 31st July, 1785, and of the system in the revenue letter, 1st August, 1785, as an acknowledgement of his zeal and activity, and an assurance of a co-operative support to Sir *John Macpherson*, both from the Directors and from the superior administration, in the most liberal and useful extent, which he had solicited in his letter of the 25th March: it also expressly states that the Committee of Revenue had done properly in stating queries before they proceeded to settlement of B. year 1192, or 1785, entered in the revenue consultations, 6th June; and that the Directors had entire satisfaction in Sir *John Macpherson's* construction of the statute of 1784.

Those who know the different systems or opinions, and read in the *same* letter that the ultimate determination of the Di-

rectors were confirmed by Mr. *Shore*, “ whose judicious reflections had been perused with much attention,” and that Mr. *Francis*’s opinion, in January 1776, is referred to in confirmation of it, will not be surprised that the same letter should follow up the approbation, with doubts of the propriety of Sir *John Macpherson*’s instruction to the Committee of Revenue to encourage *Zemindars* to pay their revenue immediately to the *Khalsba*, and to reject, as nugatory, both Sir *John Macpherson*’s plans to avoid balances; the one in October, 1783, to appoint a department to collect balances only; the other in 1787, not to remit balances without the express order of the Directors, but to accept the security of the *Zemindary*, and legal interest on the amount of the arrears; the latter judicious measure, to cut off the traffic of remission or fraudulent balances, in the letter of 12th April, is called, “ charging *Zemindars* in arrear with an additional assessment of 12 or 13 *per cent.* :” and when the letter is found finally to conclude with laying down the Directors’ principles and rules of construction of the act of 1784, and the

steps necessary to precede the execution of the system resulting from their researches, though entrusted ostensibly to Sir *John Macpherson's* integrity and zeal, seem in fact intended, as they proved to be, the instruction to his successor, and to anticipate a sanction to the system which Sir *John Shore* executed immediately after the arrival of the Marquis *Cornwallis* in *India*. These observations I mean to apply to the necessity of correct investigation as the basis of comprehensive control, for the purpose of substantial justice to the individual, or to the public; the interest of an individual in a high station was here involved; but it is unnecessary for me to complicate the present investigation with the interests of individuals. Sir *John Macpherson* had succeeded to the government under the provision of an existing act of Parliament; and about the date of the above-mentioned letter, a friend of Sir *John Macpherson's*, then in Parliament, who had no claim to ministerial confidence, stated his construction of the act, and inquired whether Sir *John Macpherson* was to be superseded from motives of expediency

or of disapprobation. Mr. *Dundas*, in my hearing, told the member, that though he had a good opinion of Sir *John Macpherson*, and he had recommended him to a mark of his Majesty's favour, he thought it his duty to endeavour to send to *India* a person whom it would be no disgrace to Sir *John Macpherson* to make way for. An opinion so given was no state secret : whence it follows that there was less management or concealment in the President of the Board of Control, than in the correspondence of the Directors. Sir *John Macpherson* was created a Baronet, June 10, 1786. Lord *Cornwallis* was appointed Governor General, and the defects in his appointment were legalized by a special act of Parliament : the defects in Sir *John Macpherson's* removal from his Government were not legalized, possibly from the consideration, that the sacrifice of the situation of an individual, to the public, might safely be left to the generosity of the Company and of the Board of Control, who had not, on such occasions, been deficient in justice or in liberality. Confining myself, therefore, to the public consideration, as

connected with parliamentary control, I look to the Directors' Letter of April 1786, for their construction of the act of 1784.

They " apprehend the design of the Legislature was merely to declare general principles for the regulation of their conduct towards natives, not to introduce a *novel* system ;" and that the 39th section of the act required an inquiry " into the causes and foundations of the complaints, and to send orders to redress the same, consistent with justice and the customs of the country." I am enabled to trace with what comment this construction was adopted in *Bengal* by Sir *John Shore*.

Mr. *Law* observes " how lately the *Zemindars* were *publicly adjudged* devoid of property in the soil *." " In limiting the land tax, the *British* nation voluntarily has granted a *novel* tenure to a class of subjects who had only a fallacious title to *Usufruct*, while the *quantum* depended upon the def-

* Sketch of late Arrangements, p. 115.

pots conscience *, (for laws between emperor and subject are ideal).” “ Laws and constitutions of *India* is a general expression. It cannot be supposed that the *British* administration had then any determinate rule in view ; permanancy was the object, and a definite system †.” “ My opinion is, that the *Zemindar* is indisputable proprietor of the soil, and the *Reyut* but a *Vassal* or *peasant*, who becomes a part of his necessary property ‡.” The *Pottabs* of my plan are for one year, confirmable in perpetuity if approved from *Great Britain*. The political ends and pecuniary advantages I have already enumerated ; the question appears to me rather what system should be adopted, than what has existed §.” “ In granting *Mocurrerees*, Government confers a *novel* possession ||.” And *Sir John Shore* observed, “ that the plan proposes nothing specific for the security of the *Reyuts* ; but, considering the impositions to which they have been subject, will not

* Sketch of late Arrangements, p. 155.

† Ibid. p. 131. ‡ Ibid. p. 51. § Ibid. p. 133.

|| Ibid. p. 116.

some be necessary in the commencement ? The operation of the principle in time will, I doubt not, be a sufficient security, and perhaps the plan relies upon this " * . Mr. *Law*, to offer some analogy to the native *Pottabs*, quotes the origin of copyholds—" the common law, of which *custom* is the life " † . And Sir *John Shore* appears satisfied, that the *New Dewanee* " courts, by a limitation to ten or more years, will gradually decide all inferior rights, and their decrees fix ultimately every tenure " ‡ .

It forms no part of my review to investigate how far deviation of individuals from their duty, has eluded control, since the year 1784. It can be no reflexion on Government, if particular instances of private peculation or breach of duty, shall be traced in individuals ; for to suppose, that none have existed, is to suppose all mankind honest ; but the integrity of the Governor General is above suspicion, and where the source is pure, the different branches to

* Sketch of late Arrangements, p. 101.

† *Blackstone*.

‡ Sketch of late Arrangements, p. 100.

which it extends progressively, must partake of its purity; and for the credit of the Company's service, the most rigid investigation of the worst periods proves, that the abuses in *India* have not arisen from a general depravity or dishonour of the Company's *British* covenanted Servants, but from the abuse of power and speculation in some of the higher departments: and this security will always remain to the natives of *British India*, that young men of good birth and education, will carry out good principles, and until, encouraged in extravagance, they give themselves up to a native *Banyan*, avowedly to participate of an abuse of power without considering the objects of rapacity, from common *British* sentiment they will abstain from the miserable gleanings and shabby plunder of an oppressed tenantry: but when bad system shall have pampered up a *Nabob* or a *Zemindar* beyond his most extravagant pretensions, the magnitude of the prize will baffle every check to disunite *Asiatic* rapine from *British* system.

The comparison which I have made,

probably did not escape Mr. *Dundas's* observation, and, if I may guess, not having the opportunity to know his private sentiments, it tended to induce him to discover the basis of his opinion and system more fully than his duty to the public and official documents, connected with his annual report to Parliament, required. The volume, published this year by his permission, is evidence of the ministerial investigations of the Board, and of the difficulty of digesting voluminous official documents, or of connecting parliamentary reports and private information. If I have been encouraged by its perusal to overrate my own opinion, I certainly should not have brought it forward to the public eye, if Mr. *Dundas* had not overrated the prosperity of the natives of *British India*, and, by the preceding extracts from his speech*, he had not stated to Parliament his belief, that no extraordinary *necessity* now existed of protecting the mass of native subjects in *British India* from oppression. What farther shall be stated in illustration of the benefit of parliamen-

* Introduction, page xxi.

tary control, will be limited to the investigation and correction of the error which I remarked * to have been adopted by Mr. *Dundas* ; but fortunately nothing in the present act appears to establish or confirm it. The cursory observations which I made in the introductory pages, were such as occurred after perusing Mr. *Dundas*'s speech, and the third chapter of a Short History of the *East-India* Company †; they were printed before I saw the supplemental or 15th chapter, in the second edition ‡, to which the initials of Mr. *Russell*'s name are inserted. “ The question as between the *Crown* and the *East-India* Company, in respect to the *property* of the town, port, and district of *Masulepatam*; and also in respect to the *Northern Circars*, on the coast of *Coromandel*, stated and discussed,” by a gentleman so respectable, and his argument and calculation adopted by Mr. *Dundas* in

* Introduction, page xxxix.

† Short History of the *East-India* Company, by an *East-Indian Proprietor*, Feb. 1793.

‡ Short History, &c. 2d edit. F. R. 1793. *Francis Russell*, Esq. Solicitor to the Board of Control.

Parliament, ceased to be of little magnitude; and having exceeded the limits I had originally given to my investigation, I am induced to make some reference to the history of those treaties which are now so pathetically recommended to the faith of *Great Britain*, and so nearly connected with the prosperity of the natives of *British India* *.

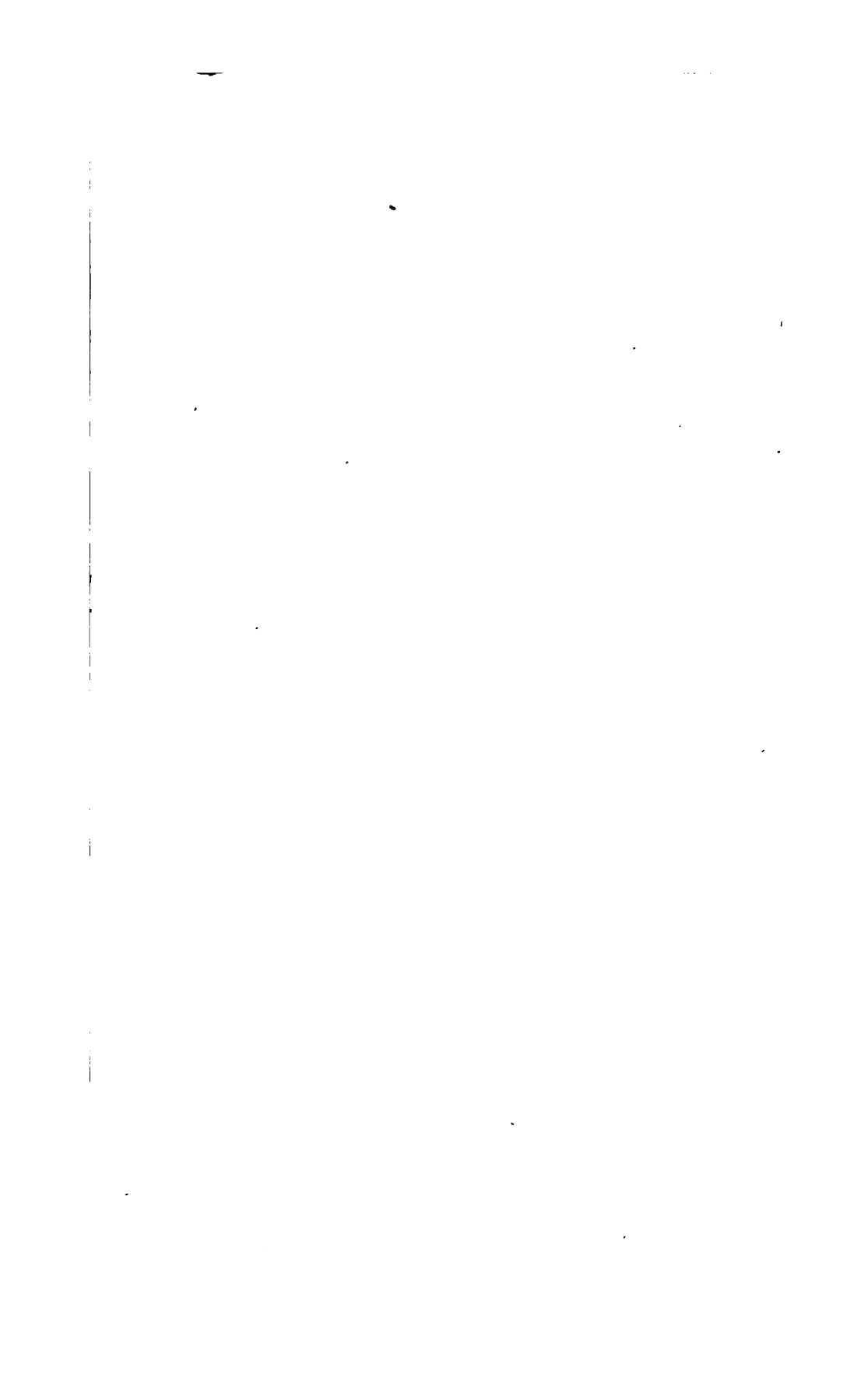
It is not for the purpose of invalidating the principle or practice of humanity and honour, that I bring forward these subjects. In the plans for *British India*, we have a certain evidence, that Mr. *Lind*, distinguished by his Letters on *Poland*, with the circumstances of which country he was conversant, having educated the *King* of *Poland*'s nephew, when he was engaged by Lord *North* to unravel the principle by which *India* could be connected with *Great Britain*, was obliged to confess, that the opposite statements and disputes, which divided the various parties in *England* and *India*, were irreconcilable. Mr. *Bruce*, selected

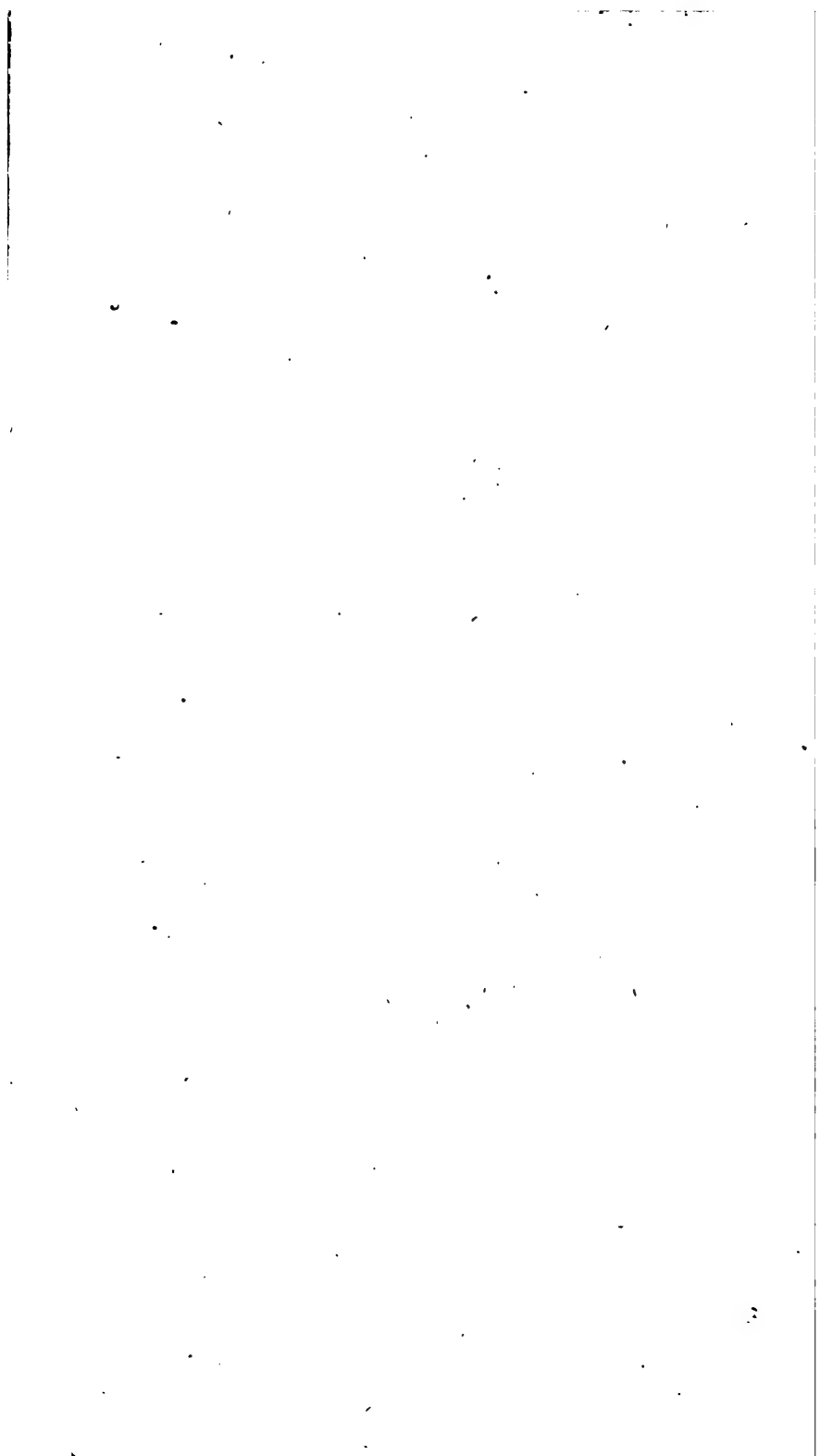
* Introduction, page xxxii. and Plans for India.

for his ability and character to the most confidential trusts by Mr. *Dundas*, having been engaged to prosecute the same research, has shewn much ability in selecting, out of the chaos of records, an appearance of system; but the circumstances of the natives, and of the *English*, at the periods under consideration, do not justify the conclusions, and the ethical arrangements in which he appears to be authorised by official records. To substitute a perfect system would require more ability than I am possessed of; and the information relative to *British India*, as yet, is not sufficiently distinct to assume the form of a perfect system. This object can only be attained by ascertaining the real circumstances of *Great Britain* and of *British India*; deductions arising from past experience, at any rate, will prove safer guides than speculative statements and speculative opinions, particularly when a neglect of known principles is required, previous to the admission of the new theories.

In the first place, therefore, I shall examine how far humanity and honour can

be applied to *British India* from precedent, which will connect what is necessary to adduce in opposition to Mr. *Bruce* and to Mr. *Russell* on this point. I shall be led to a more diffuse and general review, by the observations which arise from contemplating the extent of Mr. *Russell*'s assertions. I should have looked on this subject with great delicacy, if this gentleman's opinion, from his public situation and communications, had not, in many respects, deservedly great weight in the public estimation ; and if there did not appear a considerable degree of systematic pertinacity in keeping afloat a question pregnant with mischief to the natives, derogatory to the rights of the state, and, in my opinion, not founded on a review of the proceedings of Parliament, or of treaties and grants, by which, *de jure* & *facto*, the rights of the Crown stand paramount to the privileges of the Company.







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